

16 May 2016

**ASX LIMITED**

**ASX CODE- MBO**

### **INVESTMENT IN JAXSTA**

On 5 May 2016 the Company announced an investment of \$500,000 into Jaxsta Enterprises Pty Ltd for a 3.33% equity position in Jaxsta. The Company has the right to invest a further \$2,500,000 directly into Jaxsta for a further 16.67% interest, and has an option to acquire a further 20% of Jaxsta for \$5,000,000 (comprising \$2,200,000 cash and \$2,800,000 in shares issued at \$0.007 each, as well as 400,000,000 share options) from an existing Jaxsta shareholder who is associated with Melanie Verheggen, a substantial shareholder of Mobilarm.

The Company advised in its announcement that the investment of a further \$2,500,000 and the exercise of the option to acquire a further 20% would be subject to all necessary regulatory approvals.

The ASX have requested that the Company provide further details in relation to the transaction as follows:

1. Detail the proposed activities of Mobilarm following the initial acquisition in Jaxsta:

Mobilarm advises that the investment in Jaxsta does not change the current activities of the Company's man overboard business. The man overboard business is its primary business. At this stage, the investment in Jaxsta is a passive investment that the Company will monitor. At a stage where Jaxsta has met certain milestones, MBO will review its rights and options and determine at such time whether the milestones justify further investment.

2. Provide further information about the business and Operations of Jaxsta (including financial information):

The Jaxsta story started in 2013, but the Company was formed in 2015. Since it began the team has been building its platform with consultation from industry experts in order to launch its beta version and full versions at a later stage, starting this year. The business provides a platform for validated sources of information of all aspects for its end users, its first iteration being for the music industry. It consolidates information from various sources in order to provide its users, both industry and general users, with valid and verified information about any person involved in any music project. As Jaxsta states in its mission:

"Our mission is track down the people behind the music. From radio to roadies, artists to producers, photographers to video directors. Jaxsta will be the credit roll for our industry."

Mobilarm advises that Jaxsta is at a pre-revenue stage. As the Company is still in the development stage and is generating no revenue until it launches its platform later this year. The

investment was based on a review and understanding of the business model, the technology, the management team and the opportunities they represent for the growth of Jaxsta.

3. Provide further details of any approvals that may be necessary should the Company acquire a further interest in Jaxsta.

The acquisition of a further interest in Jaxsta may trigger the requirements of Chapter 11 of the ASX Listing Rules. Chapter 11 deals with a transaction that would be deemed to effectively constitute a change to the nature or scale of activities of Mobilarm. If the ASX deems Chapter 11 is applicable to the transaction, the ASX may require Mobilarm to meet the requirements in Chapters 1 and 2.

Should the exercise of the option to acquire a 20% interest held in Jaxsta by a related party be undertaken in the future by Mobilarm then Mobilarm would require approval under Chapter 10 of the ASX Listing Rules. Chapter 10 deals with transactions with persons in a position of influence, which includes a substantial shareholder of the Company. Shareholders would be required to approve the acquisition, and a report on the transaction from an Independent Expert would be required. The report must state whether the expert's opinion is that the transaction is fair and reasonable to shareholders other than the substantial shareholder.

-Ends-

**Further details**

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