

Date: 12 July 2016

Mobilarm finishes FY16 with positive operating cash flow.

- Receipts from customers of \$7.3M for the year.
- Positive operating cash flow for the second half of \$0.7M
- Order performance of \$5.8M for the year and revenues of \$6.7M.

Global marine safety equipment provider Mobilarm Limited (ASX: MBO) today reported quarterly cash operating cash flows of \$312,780, increasing its annual operating cash flow to \$497,148. Customer orders for the quarter reached \$1,367,338, along with revenues of \$1,742,457 and receipts from customers of \$1,824,987. That brings the annual totals for orders to \$5,774,841, revenues to \$6,650,527 and receipts from customers to \$7,301,625.

Mobilarm Chief Executive Officer Ken Gaunt commented: "Despite the downturn in the global Oil & Gas Industry the marine safety market continues to provide new opportunities for Mobilarm. New product development and further market acceptance of our rental and service models will ensure we remain a strong competitor in our field. The growth in our service ensured a stronger second half to the year and provides a great platform for the next financial year."

"Our investment in Jaxsta during the last quarter has assisted Jacqui Louez Schoorl and her team to continue the development and growth of their platform at a rapid pace. The Jaxsta team are preparing for a beta release of their platform later in the year and they have had significant interest from music industry participants and record labels worldwide as evidenced by the increase in data partners coming on board. We are optimistic that this diversification strategy will provide further upside for all Mobilarm shareholders whilst not detracting from our core Marine Safety business. As more information becomes available we will inform all shareholders accordingly".

Mobilarm Chief Financial Officer Jorge Nigaglioni commented: "Our strong second half was a result of our continuing shift into total solution provision for our global customers. Our service revenues continue to increase and we are looking ahead to adding more capabilities to both our products and services to ensure continued enhancement in safety for our customers."

-Ends-

Further details

Ken Gaunt
Chief Executive Officer

Email: keng@mrtsos.com
Tel.: +61 417 961 770
Tel.: +44 782 731 4442
www.mobilarm.com

Mobilarm Limited (ASX: MBO) and its 100% owned subsidiary MRT (UK) is involved in the development, manufacturing and sale of a Man Overboard Safety Systems provided to the offshore oil & gas industries, commercial marine industries, defence, and government & regulatory agencies internationally. MBO currently operates in the UK, Australia, Nigeria and USA.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity
Mobilarm Limited

ABN	Quarter ended ("current quarter")
15 106 513 580	30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$	Year (12 Months) \$
1.1 Receipts from customers	1,824,987	7,301,625
1.2 Payments for (a) staff costs	(504,723)	(2,276,749)
(b) advertising & marketing	(1,216)	(47,914)
(c) research & development	(12,211)	(66,588)
(d) leased assets	-	-
(e) Other working capital	(745,773)	(2,829,979)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3,998	16,317
1.5 Interest and other costs of finance paid	(60,477)	(245,816)
1.6 Income taxes (paid)/received	-	216,036
1.7 Rental recoveries	-	-
1.7 Purchases of inventory	(191,806)	(1,569,784)
Net operating cash flows	312,781	497,148

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

		Current quarter \$	Year (12 Months) \$
1.8	Net operating cash flows (carried forward)	312,781	497,148
1.9	Cash flows related to investing activities Payment for acquisition of:		
	(a) Net cash acquired on acquisition(item 5)	-	-
	(b) equity investments	(500,000)	(500,000)
	(c) intellectual property	-	-
	(d) physical non-current assets	(1,755)	(12,589)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(501,755)	(512,589)
1.14	Total operating and investing cash flows	(188,974)	(15,441)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	900,489
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Share issue expenses	-	-
	Net financing cash flows	-	900,489
	Net increase (decrease) in cash held	(188,975)	885,048
1.21	Cash at beginning of quarter/year to date	2,561,979	1,487,957
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	2,373,005	2,373,005

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	(84,070)
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions Payments were for salaries and director fees and travel.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A	Amount used \$A
3.1	Loan facilities	\$2,971,525
3.2	Credit standby arrangements	-

The Company has \$2,000,000 in convertible notes entered into on the 30th of January 2016. These carry a 12% interest rate and are convertible at \$0.06 per share. These notes expire on 29th July 2016.

The Company also has an additional \$971,525 in convertible debt, convertible that expires on the 7th of March 2017 and carries an interest rate of 6.0%. The note is convertible by the noteholder upon giving the Company thirty days notice at the lower of \$0.007 per share or the price of any new Entitlements Issue. The note can be converted by the Company at the expiration date at a price that equals 80% of the trailing 30 day VWAP at the time of expiry.

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A	Previous quarter \$A
4.1	Cash on hand and at bank	2,373,005	2,561,979
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Deposits securing guarantees	-	-
Total: cash at end of quarter (item 1.22)		2,373,005	2,561,979

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Nil
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

- 1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Director

Date: 12 July 2016

Print name: Jorge Nigaglioni

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.