

AND MEDIA RELEASE

Date: 31 August 2015

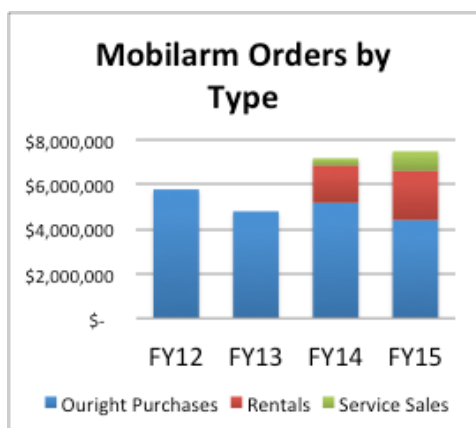
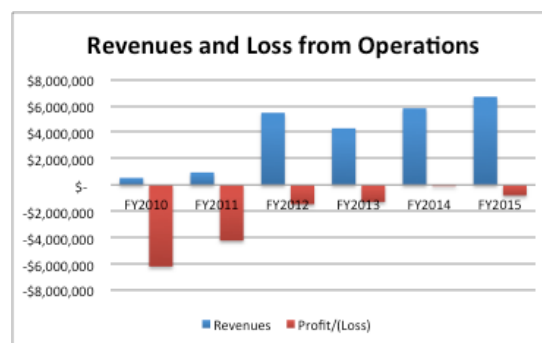
ASX
CODE:
MBO



MBO increases revenues in FY2015

- Revenues increased to \$6.7M from increased service and rental revenues

Perth, Western Australia: Global marine safety equipment provider, **Mobilarm Limited (ASX: MBO)** ("The Company") today reported full year results for the year ended 30 June 2015. Mobilarm reported an increase in its revenues to \$6,692,065 an overall increase of 15%.



Ken Gaunt, Mobilarm's Chief Executive Officer, commented: "This financial year we continued the expansion of our rental and service portions of the business. These are key deliverables of our long-term strategy. The move away from one off sales to long-term recurring revenues and cash flows remain key to our growth strategy. We continue to look at further growth areas in our adjacent markets to deliver value to shareholders."

Mobilarm's Chief Financial Officer, Jorge Nigaglioni, commented: "As indicated last year, we have moved to the growth phase. We are implementing further changes to truly expand our global reach in our key markets, especially in our service capabilities. We have made considerable investments in the rental and service area which we are completing in early FY2016 that will serve us for the next few years to come."

Ken Gaunt
Chief Executive Officer

Perth, Western Australia
31 August 2015

Further details

Ken Gaunt

Chief Executive Officer

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www.mobilarm.com

APPENDIX 4E

Full Year Report

30 June 2014

MOBILARM LIMITED

ACN 106 513 580

Results for announcement to the market

		June 2015	June 2014
Financial Results	Movement	\$	\$
Revenue from ordinary activities	15%	6,692,065	5,816,192
Profit/(loss) from ordinary activities after tax attributable to members	1173%	(807,086)	(63,392)
Net profit/(loss) for the period attributable to members	1173%	(807,086)	(63,392)

Dividends	Amount per Ordinary Security	Franked amount per security
2014 dividend	Nil	-
2013 dividend	Nil	-

Record date for determining entitlements to interim dividends	N/A
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Net Tangible Asset/(Liability) Backing	June 2015	June 2014
Net tangible asset/(liability) backing per ordinary security – cents per share	0.1	0.1

MOBILARM LIMITED
PRELIMINARY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Mobilarm Limited	
Note	2015	2014
	\$	\$
Revenue		
Sale of goods	5,860,627	5,647,019
Rental revenue	831,438	169,173
	<u>6,692,065</u>	<u>5,816,192</u>
Cost of units sold	(1,328,590)	(1,482,079)
Depreciation of units under rental	(149,765)	(24,464)
	<u>(1,478,355)</u>	<u>(1,506,543)</u>
	<u>5,213,710</u>	<u>4,309,649</u>
Interest income	14,045	6,427
Other income	26,301	-
Employee benefits	(2,154,793)	(2,143,003)
Share based compensation expense	(332,018)	(181,130)
Depreciation and amortisation	(629,765)	(463,531)
Advertising	(81,009)	(64,046)
Audit and tax	(86,766)	(92,525)
Accountancy	(29,697)	(19,995)
Freight and cartage	(158,831)	(68,092)
External consultants and contractors	(486,019)	(361,605)
Rental	(180,478)	(159,960)
Travel and accommodation	(522,736)	(406,965)
Allowance for doubtful debts	48,055	507,026
Payroll tax	(306)	(6,901)
Legal fees	(346,386)	(91,949)
Telephone and internet charges	(84,719)	(72,674)
Insurance	(61,360)	(71,250)
Printing, postage and stationery	(47,151)	(93,119)
Motor vehicles expenses	(93,005)	(80,287)
Finance costs	(247,296)	(186,518)
Property letting fees	(41,969)	(78,969)
Rates and land tax	(75,215)	(69,265)
Information technology costs	(80,425)	(86,838)
Foreign exchange (loss)/gain	241,945	(173,536)
Impairment of capitalised development costs	(4,395)	-
Other expenses	(439,564)	(326,197)
Loss before income tax (carried forward)	<u>(639,847)</u>	<u>(475,253)</u>
Income tax (expense)/benefit	(167,239)	411,861
Loss after income tax from continuing operations	<u>(807,086)</u>	<u>(63,392)</u>

Loss after income tax from continuing operations	(807,086)	(63,392)
Other comprehensive income		
Changes in value of available-for-sale investments, net of tax	284,736	230,627
Total comprehensive loss for the period	<u>(522,350)</u>	<u>167,235</u>
Basic earnings per share (cents per share)	(8) <u>(0.2)</u>	<u>(0.0)</u>
Diluted earnings per share (cents per share)	(8) <u>(0.2)</u>	<u>(0.0)</u>

MOBILARM LIMITED
PRELIMINARY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

Mobilarm Limited			
	Note	2015	2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,487,957	842,229
Restricted cash		-	48,217
Short-term securities	(6)	-	698,979
Trade and other receivables		1,454,299	1,590,210
Inventories	(3)	2,465,568	1,174,063
Other current assets		770,782	314,638
TOTAL CURRENT ASSETS		6,178,606	4,668,336
NON-CURRENT ASSETS			
Plant and equipment	(4)	1,092,060	623,887
Intangible assets and Goodwill	(5)	3,001,681	3,253,948
TOTAL NON-CURRENT ASSETS		4,093,741	3,877,835
TOTAL ASSETS		10,272,347	8,546,171
CURRENT LIABILITIES			
Trade and other payables		1,702,107	1,793,768
Interest bearing loans and borrowings	(6)	974,809	896,134
Provisions		158,722	153,018
TOTAL CURRENT LIABILITIES		2,835,638	2,842,920
NON-CURRENT LIABILITIES			
Provisions		39,281	30,294
Interest bearing loans and borrowings	(6)	2,040,886	6,318
TOTAL NON-CURRENT LIABILITIES		2,080,167	36,612
TOTAL LIABILITIES		4,915,805	2,879,532
NET ASSETS		5,356,542	5,666,639
EQUITY			
Contributed equity	(7)	29,686,317	29,804,298
Accumulated Losses		(25,681,020)	(24,873,934)
Reserves	(7)	1,351,245	736,275
TOTAL EQUITY		5,356,542	5,666,639

MOBILARM LIMITED
PRELIMINARY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Issued Capital	Accumulated Losses	Stock Option Reserve	Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
As at 30 June 2013	27,790,295	(24,810,542)	335,187	-	3,314,940
Net loss for the period	-	(63,392)	-	-	(63,392)
Other comprehensive income	-	-	-	230,627	230,627
Total comprehensive loss for the period	-	(63,392)	-	230,627	167,235
Transactions with owners in their capacity as owners					
Issue of equity	1,300,000	-	-	-	1,300,000
Costs of share issues	(10,000)	-	-	-	(10,000)
Currency translation reserve	(7,654)	-	-	-	(7,654)
Conversion of convertible notes into ordinary shares	720,989	-	-	-	720,989
Share based payments – Performance Shares	10,668	-	-	-	10,668
Share based payments – Performance Shares Rights	-	-	70,917	-	70,917
Share based payments – Stock Options	-	-	99,544	-	99,544
As at 30 June 2014	29,804,298	(24,873,934)	505,648	230,627	5,666,639
Net loss for the period	-	(807,086)	-	-	(807,086)
Other comprehensive income	-	-	-	284,736	284,736
Total comprehensive loss for the period	-	(807,086)	-	284,736	(522,350)
Transactions with owners in their capacity as owners					
Costs of share issues	(120,000)	-	-	-	(120,000)
Currency translation reserve	242	-	-	-	242
Share based payments – Performance Shares	1,777	-	-	-	1,777
Share based payments – Performance Shares Rights	-	-	84,776	-	84,776
Share based payments – Stock Options	-	-	245,458	-	245,458
As at 30 June 2015	29,686,317	(25,681,020)	835,882	515,363	5,356,542

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MOBILARM LIMITED
PRELIMINARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,806,149	6,220,708
Payments to suppliers and employees		(8,965,819)	(7,128,757)
Interest received		14,045	6,347
Payment for research & development		(261,131)	(444,224)
R&D tax rebate		320,917	319,423
Interest and other borrowing costs paid		(64,131)	(26,275)
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(2,149,970)	(1,052,778)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(35,366)	(40,753)
Term Deposit		48,217	-
NET CASH FLOWS PROVIDED/(USED) IN INVESTING ACTIVITIES		12,851	(40,753)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	(6)	2,902,847	56,688
Proceeds from share issues	(7)	-	1,300,000
Costs of share issue	(7)	(120,000)	(10,000)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		2,782,847	1,346,688
NET INCREASE/(DECREASE) IN CASH HELD		645,728	253,157
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		842,229	589,072
CASH AT THE END OF THE FINANCIAL YEAR		1,487,957	842,229

NOTES TO THE PRELIMINARY FINAL REPORT (UNAUDITED) FOR THE YEAR ENDED 30 JUNE 2015

1 CORPORATE INFORMATION

The financial report of Mobilarm Limited (the “Company”) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of directors on 31 August 2015.

Mobilarm Limited is a Company limited by shares incorporated and domiciled in Australia. The nature of the operations and principal activities of the Company are described in the Director’s Report.

The Company owns three wholly owned subsidiary companies as follows:

Name	Country of Incorporation	Date of Establishment
Marine Rescue Technologies Ltd	United Kingdom	
Mobilarm, Inc.	United States of America	
Rentquip Ltd	United Kingdom	14 June 2013

The Company also owns 50% ownership stake of a joint venture as follows:

Name	Country of Incorporation	Date of Establishment
Mobilarm Nigeria	Nigeria	19 March 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The preliminary final report has been prepared in accordance with the Australian Securities Exchange Listing Rules as set out in Appendix 4E and in accordance with the measurement and recognition (but not disclosure) requirements of the Australian Accounting Standards, Corporations Act 2001 and other pronouncements of the Australian Accounting Standards.

As such, this preliminary final report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2014 and with any public announcement made by Mobilarm Limited during the reporting period in accordance with the disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

The accounting policies and methods of computation are the same as those adopted in the annual financial report for the year ended 30 June 2014.

The financial report is presented in Australian Dollars and all values are rounded to the nearest dollar.

(b) Going Concern

This report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company has incurred a net loss after tax for the year ended 30 June 2015 of \$807,086 (2013: \$63,392) and experienced net cash outflows from operating activities of \$2,149,970 (2014: \$1,052,788). As 30 June 2015, the Company had net assets of \$5,356,542 (2014: \$5,666,639).

Notwithstanding the above, the ability of the Company to continue as a going concern is reliant on:

- increased cash flows from operations, and/ or
- the raising of funds through a debt or equity issues.

The Directors have reviewed the business outlook and plans of the company and believe that the Company will achieve increased cash flows from operations to sustain its ability to continue as a going concern, which will also make the raising of funds more achievable if needed. The Company started a rental program during the previous year. The Company has spent considerable operating cash flows to build up stock for this program but is looking to derive long-term cash inflows from the program. Net rental revenues increased from \$169,173 in the previous year to \$831,498. The Company has also expanded its service portfolio to increase the business resulting in a total increase in revenues of \$875,873 during the year. The Company is also focused on long term cost savings to continue to improve its operating results.

Should the entity not achieve the matters set out above, there is significant uncertainty whether the entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

The financial report does not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

3 INVENTORIES

	June 2015 \$	June 2014 \$
Inventories, at cost		
Raw materials, stores and work in progress inventory at net realisable value	2,374,145	833,068
Finished goods	91,423	340,994
Total inventories at lower of cost and net realisable	2,465,568	1,174,062

The Company increased its inventory levels during the year as part of its strategy to increase its rental business.

4 PLANT AND EQUIPMENT

	June 2015 \$	June 2014 \$
Plant and Equipment net of depreciation		
Units under Customer Rental	802,491	350,957
Plant and equipment	283,141	264,988
Motor vehicles	6,429	7,942
Intangible assets net of amortisation	1,092,060	623,887

The Company increased its units under customer rental as part of the additional rental contracts signed during year.

5 INTANGIBLE ASSETS

	June 2015 \$	June 2014 \$
Intangible assets net of amortisation		
Development Cost	1,075,250	1,329,880
Goodwill	1,924,068	1,924,068
Computer software	2,363	-
Intangible assets net of amortisation	3,001,681	3,253,948

6 INTEREST BEARING LOANS AND BORROWINGS

CURRENT	June 2015 \$	June 2014 \$
Intangible assets net of amortisation		
Convertible Notes (i)	974,809	197,135
Credit facility (i)	-	698,999
	<u>974,809</u>	<u>896,134</u>
Finance leases	-	-
	<u>974,809</u>	<u>896,134</u>
 NON CURRENT		
Convertible Notes (ii)	<u>2,038,866</u>	-
Finance leases	<u>2,020</u>	<u>6,318</u>
	<u>2,040,886</u>	<u>-</u>

The Company entered into various interest bearing loans for working capital purposes. The terms of each loan are described below.

- (i) The Company entered into a credit facility with a shareholder for the value of an equity investment in another entity. As the Company sells the equity investment, it recognises the proceeds as a convertible note, with an interest rate of 6%. The note is convertible by the noteholder upon giving the Company thirty days notice at the lower of \$0.04 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. As at 30 June 2015, the entire facility was converted to a convertible note. The convertible note expires on 7 March 2016. As at 30 June 2014, the Company had sold \$197,135 and recognised it as a convertible note. As at 30 June 2014, \$56,688 of the funds realized from the sale had cleared with \$140,447 reflected as a receivable in transit. The remaining value of the investment is recognised as a credit facility at its current market value of \$698,999.
- (ii) The Company entered into eight convertible note agreements on 31 January 2015 for a total of \$2,000,000. The notes have an interest rate of 12% payable quarterly. The notes are convertible into ordinary shares at a price of \$0.06 cents per share. The notes expire on 31 July 2016.

7 CONTRIBUTED EQUITY

	June 2015	June 2014
	\$	\$
Ordinary shares (a)	29,686,317	29,752,742
Performance shares (b)	-	51,556
Contributed equity	29,686,317	29,804,298

	June 2015		June 2014	
(a) Ordinary Shares				
Movement in ordinary shares on issue	Number	\$	Number	\$
Balance at beginning of year	350,084,416	29,752,742	299,560,681	27,623,480
Issuance of equity	-	-	32,500,000	1,300,000
Cost of share issues	-	(120,000)	-	(10,000)
Performance shares class B	-	-	-	125,927
Performance shares class C	-	53,333	-	-
Currency revaluation	-	242	-	(7,654)
Conversion of Convertible Notes	-	-	18,024,735	720,989
Balance at end of the year	350,084,416	29,686,317	350,084,416	29,752,742

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

	June 2015		June 2014	
(i) Movement in Performance Shares Class C	Number	\$	Number	\$
Balance at beginning of year	333,334	51,556	333,334	40,888
Share issue	-	-	-	-
Shares lapsed during the year	-	(53,333)	-	-
Share based payment expense for the year	-	1,777	-	10,668
Balance at end of the year	-	-	333,334	51,556
Total Performance Shares	-	-	333,334	177,483

Performance class C shares convert to ordinary shares on a 1 for 1 basis upon the Company reaching a market capitalisation of \$100 million dollars based on the five day weighted average share price on the ASX. The Company has amortised the Performance shares class C based upon the Company's financial plans to reach that milestone. 333,334 Performance shares class C reached their expiry date without meeting the performance condition.

	June 2015	June 2014
	\$	\$
Stock options	650,640	405,182
Performance share rights	185,242	100,466
Reserves	835,882	505,648

(c) Options	June 2015		June 2014	
	Number	\$	Number	\$
Movement in options on issue				
Balance at beginning of year (i)	71,345,471	405,182	71,345,471	305,638
Options issued – Capital Raising (ii)	-	-	20,000,000	-
Options cancelled – Employee Stock Option Plan (iii)	(300,000)	-	-	-
Options issued – Directors Compensation (iv)	-	245,458	-	99,544
Options cancelled – Capital Raising	(38,166,651)	-	(23,166,651)	-
Subtotal	32,878,820	650,640	68,178,820	405,182

- (i) All options were issued as a free attaching option as part of the Company's capital raises in previous years or as part of the employee stock option plan.
- (ii) The Group issued 20,000,000 share options on 28 March 2014 as part of its Entitlements Offer. The options have a one year expiry and the exercise price is as follows:

Date of Exercise	Exercise Price
Within 181 days of issue	\$0.04
Within 182-365 days of issue	\$0.06

- (iii) The outstanding options issued under the employee stock option plan are detailed as follows:

Grant Date	Expiry Date	Strike Price	Amount
22-Dec-2010	22-Dec-2015	\$0.193*	625,000
20-Jan-2011	15-Oct-2015	\$0.193*	83,333
09-Jun-2011	09-Jun-2016	\$0.072	500,000
Balance at end of the year			1,208,333

* The original strike price for these options was \$0.20. The terms of these employee options provide for the exercise price of the options to be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2 following an Entitlement Offer. The Company adjusted the strike price as part of the Entitlements Offer completed.

- (iv) On the 8th of August 2012 the Board (excluding Mr Ken Gaunt who did not wish to make any recommendation) has proposed the issue of 29,670,487 share options to Director/Chief Executive Officer Ken Gaunt. Each option entitles the holder to exercise the option in exchange for one ordinary share in the Company. The options are exercisable at an exercise price of per option A\$0.021. The Options vest when the Share Price is equal to or greater than A\$0.10 (subject to adjustment under the terms of the grant). In addition, upon a Change of Control Event (i), the Options automatically vest.
- (i) Change of Control Event means:
- a person acquires voting power in at least 50.1% or more of the issued Shares;
 - a person acquires the power to direct or cause the direction of management or policies of the Company;
 - a person directly or indirectly acquires all or substantially all of the business and assets of the Group; or

d. (d) a person otherwise acquires or merges with the Group, including by way of a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, share acquisition, securities issuance, share buyback or repurchase, reverse takeover, dual listed company structure, establishment of a new holding entity for the Group or any other comparable transaction or arrangement.

In association with the grant above, the Company has also proposed that the Company enter into an interest-free loan agreement with Mr. Gaunt of an amount equal to the total Grant Price payable for the 29,670,487 Options, being a total loan amount of \$267,034. These transactions were approved at a general meeting of shareholders on the 7th of September 2012.

Additionally, Sir Tim McClement was issued 2,000,000 options. The options are exercisable at an exercise price of per option A\$0.027. The Options vest when the Share Price is equal to or greater than A\$0.10 (subject to adjustment under the terms of the grant). These transactions were approved at a general meeting of shareholders on the 29th of November 2012.

(d) Performance Share Rights	June 2015		June 2014	
	Number	\$	Number	\$
Movement in options on issue				
Balance at beginning of year	11,000,000	100,466	11,000,000	29,549
Performance share rights issued	10,000,000	84,776	-	70,917
Performance share rights cancelled	(2,000,000)	-	-	-
Balance at end of the year	19,000,000	185,242	11,000,000	100,466

The Company granted 11,000,000 performance share rights in 2013 to employees, 9,000,000 of these remain valid as of 30 June 2015. The Company granted a further 7,000,000 performance share rights in February 2015 to employees. The performance share rights vest when the Share Price is equal to or greater than A\$0.10 (subject to adjustment under the terms of the grant). In addition, upon a Change of Control Event (i), the performance share rights automatically vest.

- (i) Change of Control Event means:
 - a. a person acquires voting power in at least 50.1% or more of the issued Shares;
 - b. a person acquires the power to direct or cause the direction of management or policies of the Company;
 - c. a person directly or indirectly acquires all or substantially all of the business and assets of the Group; or
 - d. (d) a person otherwise acquires or merges with the Group, including by way of a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, share acquisition, securities issuance, share buyback or repurchase, reverse takeover, dual listed company structure, establishment of a new holding entity for the Group or any other comparable transaction or arrangement.

Some of the performance share rights have additional vesting criteria regarding specific performance of projects being completed, such as the development of our next generation products.

The Company granted a further 3,000,000 performance share rights in February 2015 to employees. The performance share rights vest when

- (ii) the sales team as a whole achieve total orders in excess of \$10 million in the period ending 12 months from the date of issue of the shares.
- (iii) the employee remaining an employee for a period of 12 months after (a) has been satisfied.

8 EARNINGS PER SHARE

	June 2015 Number	June 2014 Number
EARNINGS PER SHARE		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	350,084,416	323,888,349
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	350,084,416	323,888,349
Basic earnings/(loss) per share (cents per share)	(0.2)	(0.0)
Diluted earnings/(loss) per share (cents per share)	(0.2)	(0.0)

9 SEGMENT INFORMATION

The company operates solely in the development, manufacturing and sale of Man Overboard safety systems. The Company operates in four geographical locations being Australia, the United Kingdom, Nigeria and the United States of America. The Company manages its operations internally as one segment under the management of the CEO. The accounting policies applied for internal reports are consistent with the policies used to prepare the financial statements.

10 CONTINGENT LIABILITIES

As at reporting date there were no contingent liabilities.

11 SUBSEQUENT EVENTS

There have been no events since the end of the financial year that affect the results as at and for the year ended 30 June 2015.

ANNUAL MEETING

The annual meeting will be held as follows:

Place	To be advised
Date	To be advised
Time	To be advised
Approximate date the +annual report will be available	31 October 2015

COMPLIANCE STATEMENT

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

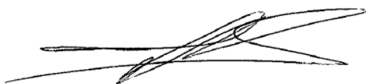
- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed
- 4 This report is based on +accounts to which one of the following applies.

(Tick one)

- | | | | |
|-------------------------------------|---|--------------------------|---|
| ☐ | The +accounts have been audited. | ☐ | The +accounts have been subject to review. |
| ☒ | The +accounts are in the process of being audited or subject to review. | ☐ | The +accounts have <i>not</i> yet been audited or reviewed. |

- 5 The entity has formally constituted audit committee.

Sign here:



Date: 31 August 2015

Print name: Jorge Nigaglioni

Executive Director & Chief Financial Officer