

Future Mobility Solutions Limited**Results for announcement to the market**

Reporting Period	12 months to 31 March 2018
Previous Reporting Period	12 months to 31 March 2017

	Amount (000s)	Percentage change
Revenue from ordinary activities	30,350	71.40%
Profit (loss) from ordinary activities after tax attributable to security holders	(\$2,479)	-494.78%
Net profit (loss) attributable to security holders	(\$2,479)	-494.78%

Interim/Final Dividend	Amount per security	Imputed amount per security
	N/A	N/A

Record Date	N/A
Dividend Payment Date	N/A

Comments:	This report is based on financial statements in the process of being audited.
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Future Mobility Solutions Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 March 2018

	Year ended 31 March 2018 Unaudited \$ '000s	Year ended 31 March 2017 Audited \$ '000s
Sales of goods	29,433.4	16,739.5
Rendering of services	916.4	967.0
Revenue from customers	30,349.8	17,706.5
Cost of sales and other direct costs	(21,689.8)	(11,717.7)
Gross margin	8,660.0	5,988.8
Other income	166.2	26.6
Marketing and distribution costs	(2,654.4)	(1,054.3)
Research and development costs	(143.9)	(71.4)
Administrative and other expenses	(5,589.9)	(3,580.1)
Total operating expenses and other income	(8,222.0)	(4,679.2)
Earnings before interest, tax, depreciation, amortisation and other items	438.0	1,309.6
Depreciation, amortisation and impairment	(1,422.7)	(691.2)
Litigation fees, acquisition and listing costs	(1,263.8)	-
Net finance cost	(234.6)	9.5
Profit / (loss) before tax	(2,483.1)	627.9
Tax credit	63.9	-
Profit / (loss) after tax	(2,419.2)	627.9
Movement in foreign currency translation reserve	(138.8)	20.7
Total comprehensive income / (loss) for the period	(2,558.0)	648.6
Profit / (loss) after tax attributable to:		
Owners of the parent	(2,478.8)	627.9
Non-controlling interests	59.6	-
Profit / (loss) after tax	(2,419.2)	627.9
Total comprehensive income / (loss) attributable to:		
Owners of the parent	(2,617.6)	648.6
Non-controlling interests	59.6	-
Total comprehensive income / (loss)	(2,558.0)	648.6
Basic earnings / (deficit) per share (cents)	(1.74)	0.47
Diluted earnings / (deficit) per share (cents)	(1.74)	0.46

Future Mobility Solutions Limited
Consolidated Statement of Financial Position
As at 31 March 2018

	As at 31 March 2018 Unaudited \$ '000s	As at 31 March 2017 Audited \$ '000s
ASSETS		
Current assets		
Cash and cash equivalents	1,567.0	3,236.0
Trade and other receivables	3,033.2	917.0
Inventories	9,814.3	5,017.7
Contract assets in progress	2,714.4	-
Prepayments and other financial assets	1,897.6	88.4
Total current assets	19,026.5	9,259.1
Non-current assets		
Property, plant and equipment	5,484.3	882.4
Intangible assets	15,595.1	2,090.4
Other non-current financial assets	952.8	75.0
Total non-current assets	22,032.2	3,047.8
TOTAL ASSETS	41,058.7	12,306.9
LIABILITIES		
Current liabilities		
Trade and other payables	12,794.1	1,998.1
Interest bearing loans and borrowings	2,036.8	-
Contract liabilities in progress	4,498.1	-
Deferred revenue	3,004.3	778.2
Warranty provisions	781.4	132.0
Total current liabilities	23,114.7	2,908.3
Non-current liabilities		
Interest bearing loans and borrowings	2,280.6	-
Other payables	3,079.9	-
Deferred tax liabilities	2,801.9	-
Total non-current liabilities	8,162.4	-
TOTAL LIABILITIES	31,277.1	2,908.3
NET ASSETS	9,781.6	9,398.6
EQUITY		
Contributed equity	58,490.5	56,602.4
Share based payment reserve	-	210.0
Accumulated deficit	(49,864.0)	(47,385.2)
Foreign currency translation reserve	(167.4)	(28.6)
Owners of the parent	8,459.1	9,398.6
Non-controlling interests	1,322.5	-
TOTAL EQUITY	9,781.6	9,398.6
Net tangible asset backing per ordinary security (cents)	(0.04)	0.12

Future Mobility Solutions Limited
Consolidated Statement of Changes in Equity
For the year ended 31 March 2018

----- Attributable to owners of the parent -----

	Contributed equity \$ '000s	Share based payment reserve \$ '000s	Accumulated deficit \$ '000s	Foreign currency translation reserve \$ '000s	Total \$ '000s	Non- controlling interests \$ '000s	Total equity \$ '000s
As at 1 April 2016 (Audited)	56,432.4	-	(48,013.0)	(49.3)	8,370.1	-	8,370.1
	-	-	-	-	-	-	-
Profit for the year to 31 March 2017, net of tax	-	-	627.8	-	627.8	-	627.8
Other comprehensive profit for the period, net of tax	-	-	-	20.7	20.7	-	20.7
Total comprehensive income for the period, net of tax	-	-	627.8	20.7	648.5	-	648.5
Shares issued	170.0	-	-	-	170.0	-	170.0
Share based payment for the year	-	210.0	-	-	210.0	-	210.0
As at 31 March 2017 (Audited)	56,602.4	210.0	(47,385.2)	(28.6)	9,398.6	-	9,398.6
	-	-	-	-	-	-	-
Loss for the year to 31 March 2018, net of tax	-	-	(2,478.8)	-	(2,478.8)	59.6	(2,419.2)
Other comprehensive loss for the period, net of tax	-	-	-	(138.8)	(138.8)	-	(138.8)
Total comprehensive loss for the period, net of tax	-	-	(2,478.8)	(138.8)	(2,617.6)	59.6	(2,558.0)
	-	-	-	-	-	-	-
Shares issued	1,888.1	(420.0)	-	-	1,468.1	-	1,468.1
Share based payment for the year	-	210.0	-	-	210.0	-	210.0
Non-controlling interest arising on acquisition of subsidiaries	-	-	-	-	-	1,262.9	1,262.9
As at 31 March 2018 (Unaudited)	58,490.5	-	(49,864.0)	(167.4)	8,459.1	1,322.5	9,781.6

Future Mobility Solutions Limited
Consolidated Statement of Cash Flows
For the year ended 31 March 2018

	Year ended 31 March 2018 Unaudited \$ '000s	Year ended 31 March 2017 Audited \$ '000s
Cash flows from operating activities		
Receipts from customers	30,754.5	17,619.9
Interest received	12.2	9.5
Litigation costs - intellectual property protection	(1,021.0)	-
Payments to suppliers and employees	(29,624.6)	(16,122.3)
Net cash flows from operating activities	121.1	1,507.1
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	25.2	21.4
Purchase of property, plant and equipment	(776.5)	(31.6)
Payments for intangible assets	(107.0)	(61.7)
Payments for acquisition of subsidiary, net of cash acquired - Willard	(1,504.4)	-
Payments for acquisition of subsidiary, net of cash acquired - Sillinger	(844.5)	-
Payments for acquisition of subsidiary, net of cash acquired - Lancer	(274.7)	-
Acquisition costs	(192.0)	-
Net cash flows used in investing activities	(3,673.9)	(71.9)
Cash flows from financing activities		
Proceeds from borrowings	2,932.0	-
Repayments of borrowings	(551.1)	-
Principal repayments for finance lease obligations	(76.1)	-
Interest paid	(134.5)	-
Net cash flows from financing activities	2,170.3	-
Net (decrease) / increase in cash and cash equivalents	(1,382.5)	1,435.2
Movement in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	3,236.0	1,787.3
Net (decrease) / increase in cash and cash equivalents	(1,382.5)	1,435.2
Effect of changes in exchange rates	(286.5)	13.5
Cash and cash equivalents at the end of period	1,567.0	3,236.0

Future Mobility Solutions Limited

Unaudited Notes to the Preliminary Announcement

For the year ended 31 March 2018

1. Basis of Preparation

The financial information in this preliminary announcement has been prepared on an historical cost basis except where otherwise stated. It is prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP and the requirements of FMCA 2013"). NZ GAAP consists of New Zealand equivalents to International Reporting Standards as appropriate to profit-orientated entities.

Financial information is presented in New Zealand dollars ("NZ dollar") and rounded to the nearest hundred dollars, unless otherwise stated.

2. Business Combinations

Accounting policy

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of non-controlling interest in the acquiree. The non-controlling interest is valued at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in "Litigation fees, acquisition costs and listing costs" in the Consolidated Statement of Comprehensive Income.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Where the contingent consideration is recognised as a liability and changes in value are the result of events occurring after the acquisition date, the contingent consideration is remeasured to fair value and the changes in fair value recognised in the Consolidated Statement of Comprehensive Income.

a) Sillinger S.A.S

On 14 August 2017, the Company acquired a 70% interest in Sillinger S.A.S. ("Sillinger"). French based Sillinger is one of the most trusted manufacturers of Hypalon rigid inflatable boats ("RIBs") to the military and defence sectors.

Details of the acquisition are as follows:

	Fair value acquired \$ '000s
Cash and cash equivalents	1,573.1
Inventories	3,069.9
Other current assets	682.7
Property, plant and equipment	2,107.7
Intangible assets - Brands and other	2,666.7
Other non-current asset	31.7
Current loans and borrowings	(436.8)
Other current liabilities and provision	(3,083.6)
Non-current loans and borrowings	(1,531.0)
Deferred tax liability	(870.7)
Net identifiable assets acquired	4,209.7
Non-controlling interest in Sillinger	(1,262.9)
Net identifiable assets acquired, after non-controlling interests	2,946.9
Goodwill arising on acquisition (provisional)	-
Net assets on acquisition	2,946.9
Shares issued	529.3
Cash paid	2,417.6
Total consideration	2,946.9

Groupe Marck Holdings were issued 3,625,377 shares at a fair value of NZ\$0.146 per share as part of the consideration, the balance was paid in cash.

2. Business Combinations (cont.)

The fair values of the acquired assets and liabilities assumed are still preliminary and pending finalisation, however new information has come to hand which has changed the fair value of the acquired assets and liabilities reported in the half year report at 30 September 2017, which overall has resulted in a reduction in goodwill. The fair value of the intangible assets - brands of \$2.6 million has subsequently been recognised with a corresponding deferred tax liability of \$0.7 million. There was a decline in valuation of the property plant and equipment, resulting in an \$0.4 million decrease to Property, plant and equipment.

Sillinger contributed revenue of \$6.6 million and a profit of \$0.3 million to the results of the Group for the year to 31 March 2018. Sillinger's financial statements pre-acquisition were prepared under French GAAP. There are differences in treatment between French GAAP and IFRS but the revenue line is not impacted. If the acquisition of Sillinger had occurred at the beginning of the reporting period, revenue of \$10.9 million would have been included in the Consolidated Statement of Comprehensive Income. However, It is not practical to attempt to calculate the adjustments required to convert Sillinger's pre-acquisition profit to an IFRS basis to enable the disclosure of the profit as if it had been consolidated from the beginning of the reporting period.

b) Sealegs Europe S.A.S

On 21 September 2017, the Company acquired Sealegs Europe S.A.S ("Sealegs Europe") from QCPM Group Limited ("QCPM"), a wholly-owned subsidiary of the Company's largest shareholder, Avenport Investment Corporation Limited ("Avenport").

Sealegs Europe is the master dealer that currently represents the Company in Europe, Africa and a number of other territories in the Indian Ocean. Acquiring Sealegs Europe provides the Company with an increased ability to control the distribution of its products.

Details of the acquisition are as follows:

	Fair value acquired \$ '000s
Inventories	175.7
Other current assets	13.4
Other current liabilities	(361.7)
Net identifiable assets acquired	(172.6)
Goodwill arising on acquisition (provisional)	651.7
Net assets on acquisition	479.1
Shares issued	668.8
Indemnity settlement	(189.7)
Total consideration	479.1

QCPM Group were issued 5,350,000 shares at a fair value of NZ\$0.125 per share for the consideration of 100% ownership in Sealegs Europe. The consideration has subsequently been reduced by the value of an indemnity in relation to certain specified liabilities in the sale and purchase agreement. This indemnity has been settled by way of set-off against the Shareholder loan from Avenport.

Sealegs Europe contributed revenue of \$0.45 million and a loss of \$0.16 million to the results of the Group for the year to 31 March 2018. If the acquisition of Sealegs Europe had occurred at the beginning of the reporting period, revenue of \$1.0 million and a profit of \$0.2 million would have been included in the Consolidated Statement of Comprehensive Income.

The fair values of the acquired assets and liabilities assumed are still preliminary and pending finalisation.

The goodwill arising on the acquisition of Sealegs Europe is attributed to the ability to sell boats in the applicable region at a higher unit price, as from a group perspective they are sold direct to customer rather than through a third-party dealer. There is also expected to be some cost rationalisation.

2. Business Combinations (cont.)

c) Lancer Industries Limited

On 2 October 2017, the Company acquired Lancer Industries Limited. Lancer is a leader in the manufacture of inflatable boats and products.

Details of the acquisition are as follows:

	Note	Fair value acquired \$ '000s
Cash and cash equivalents		25.3
Inventories		694.2
Other current assets		174.1
Property, plant and equipment		40.3
Intangible assets		13.7
Obligations under finance leases		(24.4)
Other current liabilities and provision		(538.2)
Net tangible assets acquired		385.0
Goodwill arising on acquisition (provisional)		523.2
Net assets on acquisition		908.2
Cash paid		300.0
Deferred consideration		100.0
Shares issued		270.0
Contingent consideration		238.2
Total consideration		908.2

Lancer contributed revenue of \$0.7 million and a loss of \$0.2 million to the results of the Group for the year to 31 March 2018. If the acquisition of Lancer had occurred at the beginning of the reporting period, revenue of \$1.4 million would have been included in the Consolidated Statement of Comprehensive Income. Accounting issues identified post acquisition make it impractical to ascertain the profit/loss that would have resulted if the acquisition had occurred at the beginning of the reporting period.

The goodwill arising on the acquisition of Lancer has been impaired post acquisition.

As part of the purchase agreement with the former owners of Lancer, contingent consideration has been agreed. If Future Mobility Solutions' share price does not achieve a price of 27 cents over the two years to 2 October 2019, a further cash payment will be made. As at the acquisition date, the fair value of the contingent consideration was estimated to be \$238.2 thousand. This fair value has been calculated using a binomial model with a knock-out option. At the reporting date, the contingent liability was reassessed and is determined to be \$277.9 thousand, based on the expected probable outcome. A charge has therefore been recognised to the Consolidated Statement of Comprehensive Income.

2. Business Combinations (cont.)

d) Willard Marine Incorporated

On 16 February 2018, the Company acquired Willard Marine Incorporated. Willard is headquartered in the United States of America and is an industry leading aluminium and composite boat manufacturer.

Details of the acquisition are as follows:

	Note	Fair value acquired \$ '000s
Cash and cash equivalents		726.0
Inventories		1,198.5
Contract assets		2,365.6
Other current assets		711.1
Property, plant and equipment		2,153.1
Intangible assets - Brands and other		2,097.4
Intangible assets - Customer relationships		3,410.7
Other non-current financial assets		912.4
Contract liabilities		(4,685.3)
Other current liabilities and provisions		(3,330.0)
Deferred tax liability		(1,984.5)
Net identifiable assets acquired		3,575.0
Goodwill arising on acquisition (provisional)		4,875.9
Net assets on acquisition		8,450.9
Cash paid at acquisition		2,230.4
Cash (US\$ 2.6 million) deferred until first anniversary of completion, at fair value		3,237.8
Cash (US\$ 2.6 million) deferred until second anniversary of completion, at fair value		2,982.7
Total consideration		8,450.9

The fair values of the acquired assets and liabilities assumed are preliminary and pending finalisation. Willard contributed revenue of \$2.1 million and a loss of \$0.3 million to the results of the Group for the year to 31 March 2018. If the acquisition of Willard had occurred at the beginning of the reporting period, revenue of \$14.1 million and a loss of \$2.6 million would have been included in the Consolidated Statement of Comprehensive Income.

The goodwill arising on the acquisition of Willard is attributed to synergies that the Group will be able to realise by combining operations with the wider Group, the value of the standing workforce and expected efficiencies to be gained in manufacturing operations.

The deferred cash consideration payable is interest free. The instalment payments have been discounted to net present value using a market interest rate.