

Mobilicom Limited Q2 2021 Quarterly Activities Report

- Total cash receipts of \$1,327,000; increase of \$418,000 (46%) on Q1-21, with cash balances in excess of \$5 million at the end of Q2.
- Net cash outflows from operation activity for Q2-21 decreased to \$252,000, with 2021 YTD outflows of \$668,000.
- \$3.8 million raised from a strategic investor, Psagot, one of Israel's largest institutional investment houses.
- Revenues at end of H1 2021 expected to exceed 2020 full year revenues.
- New business wins with top drones & robotics conglomerates, such as Flir (S&P500 Nasdaq company), ST Engineering (SGX), Rafael Systems and Plasan.
- Increase of sales to an existing tier-one customer, with an additional up-sale win of a \$280,000 contract for a new unmanned platform.

29 July 2021 — Mobilicom is pleased to provide the following summary of its activities for Q2 2021.

Financial

Total cash receipts increased to \$1,327,000, up 46% (\$418,000) compared to the prior quarter. This includes a 54% increase from customer receipts to \$1,075,000, and a 21% increase in cash receipts from R&D grants to \$252,000.

Q2-21 net cash used in operating activities decreased by 39% to \$252,000, compared to \$416,000 in Q1-21, and by 63% compared to \$677,000 in Q4-20.

Total expenses YTD decreased by 22% compared to the prior corresponding period, a decrease of \$806,000, reflecting cuts in overall company expenses in response to the COVID-19 pandemic.

The company ended the Q2-21 quarter with a strong cash balance of \$5.5M, provides very long runway of quarters of funding availability, based on net cash consumption of Q2-2021.

As of 30/6/21 Mobilicom has a \$1.2M backlog of orders set for future delivery during 2021.

Pursuant to Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the Appendix 4C, \$275K was paid in respect of Directors remuneration for the quarter.

Strategic Institutional Investment

Mobilicom welcomed Psagot Investment House as a strategic investor and substantial shareholder. Psagot is one of Israel's largest asset managers and is the leading pension funds manager.

\$3.8 million in new equity was raised, with the issue of 64 million shares, of which 60.8 million shares were taken up by Psagot. An equal number of options exercisable at \$0.09 per share, with an expiry two years from issue date, were issued as part of the capital raise.

The significant investment from a Psagot is a vote of confidence in the outlook for Mobilicom and comes at an opportune time for growth capital to be deployed into a rapidly growing market.

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Operational Highlights

Mobilicom announced multiple contracts with high-value clients in the June quarter.

Plasan

Mobilicom was also chosen to provide its secured communications and controller solutions for Plasan's Stinger autonomous vehicle. Israel-based Plasan, is using Mobilicom's equipment to enable the remote operation of its Stinger vehicles and their weapons systems. The first Stinger vehicles fitted with Mobilicom's technology have already been delivered to a potential customer for proof of concept.

ST Engineering

Defence, technology, and engineering conglomerate ST Engineering (STE) selected Mobilicom to provide the datalink and controller solutions for a robotics platform.

STE generated more than S\$7b in revenue last financial year and is one of the largest companies listed on the Singapore Exchange. It has developed a variety of robotics, drones, and unmanned platforms for both civilian and defence markets. STE has already taken delivery of its initial order of Mobilicom's MCU-30 wireless communication units and controllers.

Rafael

In a third contract with a tier-one international defence supplier, Mobilicom secured a \$150,000 supply agreement with Rafael Advanced Defence Systems. Rafael, a global leader in weapons systems and technology with revenues of ~US\$3b, is expected to place follow-on orders.

Leading global drone supplier

In addition to the business development milestones, Mobilicom made quarterly delivery of \$470,000 worth of Controller units to leading global drone supplier, making a total of \$1.8 million. Mobilicom was able to overcome disruptions to global supply chains and fulfil key contractual commitments.

Elbit

Under new agreement with Elbit, Mobilicom up-sale and supplied its MCU200 wireless networking units, valued at \$280,000, for use as part for Elbit's Seagull unmanned surface vessels (USV). Mobilicom's MCU200 Mobile Mesh networking units enables remote control of the Seagull's sailing and navigation, receiving the vessel telemetry, live videos and sensors for its operation. This new purchase order proves Mobilicom's strategy as end-to-end provider of smart solutions to unmanned platforms.

Business wins

Mobilicom and SkyHopper continued to achieve repeat orders from new and existing customers.

SkyHopper achieved three new customer wins in the EU, APAC, Israel, as well as repeat orders from customers in the USA and EU.

The Mobilicom business achieved two new customer wins in the EU and Israel, as well as repeat orders from customers in the EU and Israel.

Corporate

Mobilicom appointed Justin Mouchacca of JM Corporate Services as Company Secretary, replacing Mark Licciardo, effective from 1 September.

Authorised for release by the Board of Mobilicom.

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About Mobilicom

Mobilicom is an end-to-end provider of cybersecurity and smart solutions for drones, robotics & autonomous platforms. As a high-tech company it designs, develops and delivers smart communication solutions focused primarily on targeting global drone, robotics and autonomous system manufacturers.

The company holds patented technology & unique know-how for Mobile Mesh networking. It has a large, field proven portfolio of commercialised products used in a variety of applications. Mobilicom has grown a global customer base with sales to high profile customers including corporates, governments and military departments. Mobilicom's competitive advantages including outstanding security capabilities and performance in harsh environmental conditions.

Mobilicom's large solution portfolio has been deployed worldwide, seeing the Company derive revenue from hardware, software sales & licensing fees and professional support services for its solutions.

<https://mobilicom-ltd.com.au>

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Mobilicom Limited

ABN

26 617 155 978

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,075	1,775
1.2 Payments for		
(a) research and development	(190)	(367)
(b) product manufacturing and operating costs	(259)	(376)
(c) advertising and marketing	(114)	(207)
(d) leased assets	(88)	(170)
(e) staff costs	(718)	(1,387)
(f) administration and corporate costs	(209)	(404)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	252	461
1.8 Other (provide details if material)	-	11
1.9 Net cash from / (used in) operating activities	(252)	(668)

2. Cash flows from investing activities

2.1 Payments to acquire or for:

(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,840	3,840
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(127)	(127)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,713	3,713

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,021	2,465
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(252)	(668)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,713	3,713
4.5	Effect of movement in exchange rates on cash held	(19)	(47)
4.6	Cash and cash equivalents at end of period	5,463	5,463

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,463	2,021
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,463	2,021

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	275
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The following amount are included in section 6.1 above:

- Director remuneration paid to directors and director related entities amounted to \$275,000 during the quarter.

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7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(252)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,463
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,463
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	21.68
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A	
	8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A	
	8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29 July 2021.....

The Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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