

Q2 FY22 Activities Report & Appendix 4C

Delivering on growth strategy, progressing NASDAQ dual listing

Key Highlights

- Secured repeat orders from existing Tier-1 customers, collectively valued at \$530,000
- Strong confirmed order backlog of \$1.0 million to be delivered and invoiced within H2 FY22
- NASDAQ dual listing planned for Q3 FY22, supporting expansion in world's largest drone market
- Released 2nd Gen SkyHopper Datalinks and MCU Mesh Networking products featuring ICE cybersecurity
- Cash balance of \$2.3 million as at 30 June 2022

29 July 2022 — Mobilicom Limited (Mobilicom or the Company, ASX: MOB) is pleased to provide this activity update for the quarter ended 30 June 2022 (Q2 FY22), along with the Company's Appendix 4C cash flow report.

Operational Overview

Mobilicom has had a productive quarter, fulfilling existing contracts and increasing its engagement with Tier-1 drone and robotics manufacturers.

Repeat purchase orders from customers

In Q2 FY22, Mobilicom secured nine repeat purchase orders from its global customer base, inclusive of orders from Tier-1 players Teledyne-Flir, IAI, ST Engineering and Rafael.

Repeat orders indicate customers moving through the first three phases of Mobilicom's go-to-market strategy, known as "design win" phases, progressing from testing, validation and certification to deployment and commercialising their new drone and robotics platforms. Consequently, Mobilicom foresees a step change in order volumes and revenues to support customers' manufacturing demand, known as "commercialisation" phases five and six of the Company's go-to-market strategy.

New design wins from leading manufacturers

During the quarter, Mobilicom was awarded two new design wins from leading manufacturers. Mobilicom's Mesh Networking, ground controller systems and SkyHopper datalinks will be key solutions in these robotic and drone platforms.

The new design wins bring Mobilicom's total design win portfolio to 38 over the past two years, which provide a strong potential growth pipeline by cross-selling additional solutions over time to its existing global customer base.

Commenting on the Company's Q2 FY22 performance, Mobilicom CEO Oren Elkayam said, "Our smart solutions are increasingly incorporated in the design stage of drone and robotics platforms, with our current 38 portfolio design wins reflecting the superior performance and security of our proprietary cybersecurity, software and hardware solutions. Our earlier design wins are now being actively promoted by our Tier-1 customers to end-users, as part of their efforts to win large deployment projects."

“Our design wins and continuing repeat orders provide a high degree of confidence in potential revenue growth once these platforms are being deployed and commercialised, while our end-to-end offering enables us to increase revenue contribution from existing customers through the cross-selling of additional solutions, such as cybersecurity, software, and services.

“Our planned NASDAQ listing will accelerate our growth strategy and revenue opportunities. A direct US presence will enable Mobilicom to increase its engagement with large, US-based drone and robotics manufacturers, benefitting from enhanced access and credibility with these prospective customers. We also anticipate it will enable us to advance product qualification and procurement processes for defence applications in the region. The US is at the forefront of commercial drone use - a market that provides significant long-term opportunities as commercial applications outpace defence spending over the coming years. Our world-first cybersecurity software for small drones and robotics supports both defence and commercial markets, and we are already starting to incorporate cybersecurity as a standard feature within our 2nd Gen hardware offering.”

New products

Mobilicom continues to improve and expand its end-to-end offering, launching 2nd Gen SkyHopper Datalinks and MCU Mesh Networking products. These 2nd Gen products feature Mobilicom’s ICE cybersecurity software as standard, with the option to upgrade to professional or premium level coverage through additional software licensing fees.

Sales & marketing activities

During the quarter, Mobilicom increased its engagement with potential customers and partners, participating at several leading industry conferences including AUSVI XPONENTIAL 2022 in Orlando, Eurosatory 2022 in Paris, and AERO Friedrichshafen in Germany. Industry events increase awareness of Mobilicom’s proprietary cybersecurity, software and hardware solutions with drone and robotics manufacturers and end-use customers.

Corporate

Mobilicom’s planned NASDAQ dual listing is in advanced stages and is on track for Q3 FY22. During the quarter, Mobilicom publicly lodged its Form-F1 Offer Document with the US Securities and Exchange Commission (SEC), received the required approvals from the Financial Industry Regulation Authority (FIRNA) and Public Company Accounting Oversight Board (PCAOB), and its ticker was confirmed. Management have undertaken an extensive investor roadshow, attracting significant investor interest. Given market volatility, Mobilicom is holding a shareholder meeting on 22 August 2022 at 9am AEST to provide the Company with additional flexibility (if required) to complete the IPO process.

Funds raised through the IPO will be used to expand operations in the USA, increase sales and marketing activities, accelerate the commercialisation of its world-first cybersecurity and cloud software solutions, in addition to providing working capital.

Financial

As at the end of the June quarter, Mobilicom had a confirmed order backlog of \$1.0 million, to be delivered throughout 2022. Accounts receivable of \$0.3 million will be collected throughout 2022.

Cash receipts from customers during the quarter totalled \$454,000. In addition, the Company received \$232,000 cash inflow as part of an R&D innovation program grant. Advertising and marketing cash

expenses during the quarter amounted to \$194,000, while research and development cash outlay for the period was \$131,000.

Average quarterly expenses in H1 FY22 remain in line with FY21, reflecting ongoing effective expense management. Mobilicom had a cash balance of \$2.3 million as of 30 June 2022.

All related party payments noted in Section 6 of the accompanying Appendix 4C during the quarter relate to payment of executive and non-executive director's fees and salaries.

Outlook

Mobilicom is positioned for strong growth as its Tier-1 customers progress to deployment and commercialisation phases. Several of Mobilicom's design win customers are already in the marketing and promotion stage, as part of their efforts to win large deployment projects.

Mobilicom's field-proven hardware and software solutions are already being incorporated into small drone and robotics platforms as part of its 38 design wins, providing a high level of confidence in the likelihood of future orders and revenues.

Investor Webinar

Mobilicom will host an investor webinar to discuss its Q2 FY22 performance at 10.30am AEST on Friday 5 August 2022. The webinar will run for approximately 30 minutes and will provide attendees with the opportunity to ask questions following the presentation. Register to attend at:

https://us02web.zoom.us/webinar/register/WN_daH-n023QWGyON8unRBLaQ

Authorised for release by the Board of Mobilicom Limited.

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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 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>

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 2022

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	454	1,286
1.2 Payments for		
(a) research and development	(131)	(312)
(b) product manufacturing and operating costs	(99)	(274)
(c) advertising and marketing	(194)	(379)
(d) leased assets	(81)	(196)
(e) staff costs	(886)	(1,730)
(f) administration and corporate costs	(158)	(371)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(6)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	232	519
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(864)	(1,463)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(4)	(10)
(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	(4)	(10)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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 (NASDAQ listing related costs)	(84)	(265)
3.10	Net cash from / (used in) financing activities	(84)	(265)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,186	3,996
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(864)	(1,463)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(10)

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)	(84)	(265)
4.5	Effect of movement in exchange rates on cash held	18	(6)
4.6	Cash and cash equivalents at end of period	2,252	2,252

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	2,252	3,186
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)	2,252	3,186

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	167
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

The following amount are included in section 6.1 above:

- Director fees paid to director related entities amounted to \$167,000 during the quarter.

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)	(864)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,252
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,252
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.61
<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 2022.....

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.