

## Mobilicom Limited Q3 2018 Quarterly Activities Report – Appendix 4C

- Total cash receipts YTD of about \$2.5 million, up 73% and a \$1.1 million increase over the 2017 comparative period
- Strong cash balance of about \$6.0 million, with only \$0.6 million net cash burn rate
- Seven new customers, recurrent sales and successful proofs of concept
- Appointment of new board member and strengthening of management team

Mobilicom Limited has developed 4G Mobile MESH private networking technology for governmental and enterprise applications under its Mobilicom entity, and provides end-to-end hardware and software solutions for commercial and industrial drones and robotics under its SkyHopper entity.

Mobilicom is pleased to provide the following summary of its activities in Q3 2018.

### Financials

Total receipts (from customers, grants and interest) YTD (Jan-Sept) 2018 amounted to \$2,506,000, up 73% and a \$1,059,000 increase over the 2017 comparative period.

The company has maintained a strong cash balance of about \$5,990,000. Operating expenses were lower than planned while still meeting company milestones, reflecting strong execution and a significantly lower net cash burn rate of \$632,000 for the quarter.

Total receipts from customers YTD 2018 amounted to \$2,080,000, up 71% from the 2017 comparative period.

In addition, \$300,000 in receipts from customers are to be received in Q4, with the delay attributed to the holidays throughout September.

YTD 2018, receivables from government grants were \$359,000, up 59% from the 2017 comparative period.

### Operational Highlights

Mobilicom Limited is now obtaining recurrent revenue from leading players in drones and robotics as well as global brand names. Furthermore, the Company has built its next level of growth for both Mobilicom and SkyHopper entities, with several successful proofs of concept (POCs) with key accounts in the US and Europe. Among the solutions presented in the POCs are breakthrough capabilities for ground robotics and complete system solutions for ground and aerial vehicles and personnel.

### **Mobilicom grows its core business**

Mobilicom has continued to drive revenue, winning a substantial government contract with the Israeli Ministry of Defense, providing a complete solution that is being deployed in government and homeland security operations. Mobilicom has already received an initial purchase order, exceeding \$200,000, with additional purchase orders expected in the short term.

### **SkyHopper acquires new customers and closes contracts with sales channels**

SkyHopper has ramped up its sales activity, integrating its solution with seven new commercial drone manufacturers this quarter in the US, France, Germany, Korea, Poland, Czech Republic and Austria.

Additionally, SkyHopper has taken steps to increase its offerings for its growing customer base by closing contracts with two highly regarded Japanese resellers, with the aim of accelerating the sales process for SkyHopper in Japan.

### **Mobilicom strengthens its corporate structure**

In an effort to keep up with Mobilicom's strategy to scale up to larger markets and accelerate sales growth, the Company has appointed two new team members. Jon Brett has been appointed as a Non-Executive Director. Mr. Brett is an experienced director, having served on several boards with ASX companies and has a strong track record of driving transformational business performance and profitability across multiple geographies.

Dr. Yuval Dan-Gur has been appointed Chief Operations Officer. Dr. Dan-Gur will handle the internal operations of the Company. He brings with him decades of experience within the fields of security and defense and has significant commercial global experience which will support Mobilicom's international growth. Dr Dan-Gur has served as Vice President of engineering and research and development across several public and private companies.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Mobilicom Limited

**ABN**

26 617 155 978

**Quarter ended ("current quarter")**

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	654	2,080
1.2 Payments for		
(a) research and development	(194)	(594)
(b) product manufacturing and operating costs	(81)	(473)
(c) advertising and marketing	(219)	(742)
(d) leased assets	(36)	(97)
(e) staff costs	(713)	(2,083)
(f) administration and corporate costs	(214)	(574)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	50
1.5 Interest and other costs of finance paid	(2)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	167	376
1.8 Other (provide details if material)	-	(34)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(632)</b>	<b>(2,095)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(9)	(21)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) property, plant and equipment		
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(9)</b>	<b>(21)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	6,640	8,080
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(632)	(2,095)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(21)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(7)	28
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>5,992</b>	<b>5,992</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,992	6,640
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,992</b>	<b>6,640</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	299
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The following amount are included in section 6.1 above:

- Director fees paid during the quarter amounting to \$298,908

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	218
9.2	Product manufacturing and operating costs	132
9.3	Advertising and marketing	224
9.4	Leased assets	41
9.5	Staff costs	762
9.6	Administration and corporate costs	211
9.7	Other (provide details if material)	-
9.8	<b>Total estimated cash outflows</b>	<b>1,588</b>


\* The estimated cash outflow noted above do not include any revenues and grants receivables from the ordinary course of business for the coming quarter.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

### 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.

Sign here:

  
(Director)

Date: 9 October 2018

Print name: Mark Licciardo

### 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 that wishes to

disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly 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 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.