

1. Company details

Name of entity:	Mobilicom Limited
ABN:	26 617 155 978
Reporting period:	For the year ended 31 December 2021
Previous period:	For the year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	73.2% to	3,578,603
Loss from ordinary activities after tax attributable to the owners of Mobilicom Limited	down	2.8% to	(2,704,845)
Loss for the year attributable to the owners of Mobilicom Limited	down	2.8% to	(2,704,845)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Revenues

Total income for the year ended 31 December 2021 increased 43.5% to \$4,367,727, up from \$3,041,987 for the period ended 31 December 2020.

Total revenue for the 2021 financial year of \$3,578,603 was a 73.2% increase over the prior corresponding period (31 December 2020: \$2,066,478).

The significant increase in revenue for the period was despite the continuation of the global COVID-19 pandemic and is the result of fulfilment of the strong order backlog at the end of 2020, and intensive sales efforts during 2021. This intensive sales effort has delivered contract wins with new top-tier customers and cross-sell orders from existing customers.

The backlog of orders as at 31 December 2021 is \$0.5 million, which will be delivered during 2022.

The Company maintained high gross margins of 65% despite global supply chain challenges and increased production volumes, reflecting effective planning and management of component parts and materials as well as its newly established APAC-based manufacturing capability.

Government R&D grants for the year totalled \$787,544, down 18.4% compared to the prior corresponding period (31 December 2020: \$964,970).

In 2021, Mobilicom was awarded two additional government grants for existing R&D programs with a combined net value of \$917,000, expected to be realised mostly during 2022.

Expenses

Total expenses (excluding share based payments, finance costs and foreign exchange losses) increased 15.7% to \$5,477,855 compared to the prior corresponding period (31 December 2020: 4,733,188), mainly due to significant increase in sales and marketing activities in Europe and the USA to support future business growth.

Statement of financial position

Cash reserves at year end were \$3,996,300 (31 December 2020: \$2,464,655) and net assets amounted to \$3,329,119 (31 December 2020: \$2,019,286).

Net cash used in operating activities during 2021 was \$1,880,424. The cash reserve balance of \$3,996,300, provides a healthy runway, assuming operation levels remain consistent with 2021.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.04	0.80

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

This report, and the accompanying summary consolidated financial statements are based upon accounts which are in the process of being audited.

11. Attachments

Details of attachments (if any):

The unaudited summary financial statements of Mobilicom Limited for the year ended 31 December 2021 is attached.

12. Signed

Signed 

Date: 25 February 2022

Oren Elkayam
Chairman and Managing Director

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Mobilicom Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2021



	Note	Consolidated 31 December 2021 \$	31 December 2020 \$
Revenue	2	3,578,603	2,066,478
Cost of sales		(1,194,937)	(725,394)
Government grants		787,544	964,970
Interest received		1,580	10,539
Other income		<u>789,124</u>	<u>975,509</u>
Expenses			
Selling and marketing expenses		(1,698,088)	(1,112,895)
Research and development		(2,397,784)	(2,418,322)
General and administration expenses		(1,381,983)	(1,201,971)
Share based payments		(223,171)	(173,134)
Finance costs		(53,544)	(12,238)
Foreign exchange losses		<u>(113,899)</u>	<u>(179,932)</u>
Loss before income tax expense		(2,695,679)	(2,781,899)
Income tax expense		<u>(9,166)</u>	<u>-</u>
Loss after income tax expense for the year attributable to the owners of Mobilicom Limited		(2,704,845)	(2,781,899)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement of defined benefit plans		(34,197)	6,450
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>206,363</u>	<u>175,836</u>
Other comprehensive income for the year, net of tax		<u>172,166</u>	<u>182,286</u>
Total comprehensive income for the year attributable to the owners of Mobilicom Limited		<u>(2,532,679)</u>	<u>(2,599,613)</u>
		Cents	Cents
Basic earnings per share	7	(0.91)	(1.08)
Diluted earnings per share	7	(0.91)	(1.08)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Mobilicom Limited
Consolidated statement of financial position
As at 31 December 2021



	Consolidated	
Note	31 December 2021	31 December 2020
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	3,996,300	2,464,655
Trade and other receivables	695,541	385,156
Inventories	490,990	803,004
Total current assets	<u>5,182,831</u>	<u>3,652,815</u>
Non-current assets		
Property, plant and equipment	152,571	143,483
Right-of-use assets	610,197	770,448
Total non-current assets	<u>762,768</u>	<u>913,931</u>
Total assets	<u>5,945,599</u>	<u>4,566,746</u>
Liabilities		
Current liabilities		
Trade and other payables	1,151,455	1,019,194
Lease liabilities	305,414	271,284
Total current liabilities	<u>1,456,869</u>	<u>1,290,478</u>
Non-current liabilities		
Lease liabilities	336,246	547,115
Employee benefits	818,190	703,113
Governmental liabilities on grants received	5,175	6,754
Total non-current liabilities	<u>1,159,611</u>	<u>1,256,982</u>
Total liabilities	<u>2,616,480</u>	<u>2,547,460</u>
Net assets	<u>3,329,119</u>	<u>2,019,286</u>
Equity		
Issued capital	26,504,136	22,884,795
Reserves	1,156,808	770,277
Accumulated losses	(24,331,825)	(21,635,786)
Total equity	<u>3,329,119</u>	<u>2,019,286</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Mobilicom Limited
Consolidated statement of changes in equity
For the year ended 31 December 2021



Consolidated	Issued capital \$	Share based payments reserve \$	Foreign currency translation reserves \$	Re-measurement reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2020	22,884,795	1,318,853	22,324	(481,202)	(19,299,005)	4,445,765
Loss after income tax expense for the year	-	-	-	-	(2,781,899)	(2,781,899)
Other comprehensive income for the year, net of tax	-	-	175,836	6,450	-	182,286
Total comprehensive income for the year	-	-	175,836	6,450	(2,781,899)	(2,599,613)
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payments	-	173,134	-	-	-	173,134
Expiry of options	-	(424,416)	-	-	424,416	-
Cancellation of options	-	(20,702)	-	-	20,702	-
Balance at 31 December 2020	<u>22,884,795</u>	<u>1,046,869</u>	<u>198,160</u>	<u>(474,752)</u>	<u>(21,635,786)</u>	<u>2,019,286</u>

Consolidated	Issued capital \$	Share based payments reserve \$	Foreign currency translation reserves \$	Re-measurement reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2021	22,884,795	1,046,869	198,160	(474,752)	(21,635,786)	2,019,286
Loss after income tax expense for the year	-	-	-	-	(2,704,845)	(2,704,845)
Other comprehensive income for the year, net of tax	-	-	206,363	(34,197)	-	172,166
Total comprehensive income (loss) for the year	-	-	206,363	(34,197)	(2,704,845)	(2,532,679)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 3)	3,619,341	-	-	-	-	3,619,341
Share-based payments	-	223,171	-	-	-	223,171
Expiry of options	-	-	-	-	-	-
Cancellation of options	-	(8,806)	-	-	8,806	-
Balance at 31 December 2021	<u>26,504,136</u>	<u>1,261,234</u>	<u>404,523</u>	<u>(508,949)</u>	<u>(24,331,825)</u>	<u>3,329,119</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Mobilicom Limited
Consolidated statement of cash flows
For the year ended 31 December 2021



	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	3,977,275	3,149,498
Interest received	1,580	10,539
Payments to suppliers and employees (inclusive of GST)	(6,572,578)	(6,344,000)
Government grants received	787,544	1,063,792
	<u>(1,806,179)</u>	<u>(2,120,171)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(30,534)	-
	<u>(30,534)</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from issue of shares	3,840,000	-
Share issue transaction costs	(220,659)	-
Repayment of lease liabilities	(250,983)	(125,435)
	<u>3,368,358</u>	<u>(125,435)</u>
Net increase/(decrease) in cash and cash equivalents	1,531,645	(2,245,606)
Cash and cash equivalents at the beginning of the financial year	2,464,655	4,710,261
Cash and cash equivalents at the end of the financial year	<u>3,996,300</u>	<u>2,464,655</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Mobilicom Limited as a Group consisting of Mobilicom Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Mobilicom Limited's functional and presentation currency.

The functional currency of Mobilicom Limited's subsidiary, Mobilicom Ltd ("Mobilicom Israel"), is Israeli New Shekels.

Mobilicom Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/- JM Corporate Services
 Level 21, 459 Collins Street
 Melbourne, Victoria, 3000
 Australia

Principal place of business

Level 21, 459 Collins Street
 Melbourne, Victoria, 3000
 Australia

Note 2. Revenue

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Sale of goods	<u>3,578,603</u>	<u>2,066,478</u>

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government Grant income

The Company receives government grant income from the Israeli Innovation Authority (formerly the Office of the Chief Scientist) (Innovation Authority). Grant revenue is accounted for during the period in which it is received.

Note 3. Equity - issued capital

	Consolidated			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>321,936,715</u>	<u>257,936,715</u>	<u>26,504,136</u>	<u>22,884,795</u>

Note 27. Contingent liabilities (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2020	257,936,715		22,884,795
Balance	31 December 2020	257,936,715		22,884,795
Placement	17 May 2021	64,000,000	\$0.06	3,840,000
Capital raising costs		-	-	(220,659)
Balance	31 December 2021	<u>321,936,715</u>		<u>26,504,136</u>

Note 4. Contingent liabilities

The Company participates in programs sponsored by the Chief Scientist ("OCS"), for the support of research and development projects. Several programs are subjected to royalties, while others are not (the company is committed to pay royalties for the R&D programs, while the research programs do not require repayment).

In exchange for the Chief Scientist's participation in the programs, the Company is required to pay royalties to the Chief Scientist at a rate between 3% and 3.5% of sales of developed products linked to U.S dollars, until repayment of 100% of the amount of grants received, plus annual interest at the LIBOR rate. The company is required to pay royalties, to the OCS, of sales to end customers of products developed with funds provided by the Chief Scientist, if and when such sales are recognised.

The obligation to pay these royalties is contingent on actual sales of the products. Changes in the liability are recognised in research and development expenses. The exceptions of the Company to pay the grants are based on its estimation at the end of each year.

Note 5. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary.

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2021	31 December 2020
		%	%
Mobilicom Ltd ("Mobilicom Israel")	Israel	100.00%	100.00%

Note 6. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 7. Earnings per share

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Loss after income tax attributable to the owners of Mobilicom Limited	<u>(2,704,845)</u>	<u>(2,781,899)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>297,914,797</u>	<u>257,936,715</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>297,914,797</u>	<u>257,936,715</u>
	Cents	Cents
Basic earnings per share	(0.91)	(1.08)
Diluted earnings per share	(0.91)	(1.08)

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