Mobilicom delivers record half-year revenue
Progresses transition to SaaS business model

1H FY21 Key highlights

- Significant **customer revenue growth, up 66% over PCP** to $2.0 million
- Momentum in business growth with strong backlog of confirmed orders to be delivered and invoiced in 2H FY21 of **$1.2 million**
- Net operating cash burn of $0.7 million for 1H FY21
- Strong **cash reserves of $5.5 million**
- Post-period end, **launched ICE Cybersecurity Suite** and **signed partnership with U.S. based** Triad RF
- Growing cybersecurity and cloud software offering facilitating **transition to Software-as-a-Service (SaaS) business model** with recurring revenues

30 August 2021 – Mobilicom Limited (**Mobilicom** or the **Company**, **ASX: MOB**) releases its half year results for the period ending 30 June 2021 and delivers strong results across several key metrics.

Commenting on the Company's progress, Mobilicom CEO, Oren Elkayam, said, "The first half of 2021 has been instrumental in positioning Mobilicom for future growth as it transitions from a hardware provider based on R&D to a "Software-as-a-Service (SaaS)" company, offering end-to-end software and hardware smart solutions and cybersecurity for drones, robotics and autonomous platforms.

"The cloud and cybersecurity offering enables Mobilicom to target recurring revenues from software licensing and support services within a large and growing addressable market and will serve as a significant growth engine for the Company in the coming years.

"Our ICE cybersecurity suite is designed specifically for drones, robotics and autonomous platforms, and caters to the growing need for commercial and industrial operators to protect not just their drone platform, but also their data and communication channels from malicious threats and attacks.

"Even with COVID-19 still affecting general market conditions, Mobilicom increased revenues by 66%, mainly from top-tier customers. Mobilicom also harnessed its end-to-end offering, reputation as holders of patented technology and unique know-how for Mobile Mesh networking and cybersecurity to increase traditional hardware sales and professional support services for its solutions from an increasing number of global drones, robotics and autonomous system platform manufacturers.

"Through prudent operations and cost management Mobilicom reduced the net loss by more than 50%, and the current cash reserves have created a long runway to support operational needs and future business growth."

Financial Highlights

Mobilicom delivered strong results for the half-year with total revenue increasing 40% over the prior corresponding period (PCP) to $2.5 million, up from $1.8 million in 1H FY20.

Customer revenue was the main growth driver, up 66% over PCP to $2.0 million (30 June 2020: $1.2 million). Revenue growth was mainly driven by new and existing top-tier customers. Mobilicom also managed to maintain its high gross margin of 67%, by leveraging its newly established APAC-based manufacturing capability.

The Company invested heavily in sales and marketing and has a strong backlog of confirmed orders, of $1.2 million. Mobilicom expects to deliver these throughout the 2021 calendar year while also securing new orders and growing its sales pipeline.

Mobilicom reported a net loss of $0.6 million, a 52% improvement on PCP (30 June 2020: loss of $1.2 million).

The Company is well-positioned with $5.5 million in cash following the completion of the placement to Psagot Investment House, one of Israel's largest pension fund managers. The cash ensures Mobilicom is well-funded to execute on its growth strategy and provides a long operational runway.

Net cash used in operating activities decreased 36% to $0.7 million, down from $1.0 million for the same period last year, as the Company optimised its operating procedures to offset challenging COVID-19 conditions.

Mobilicom's cost-base in FY21 will shift from R&D to sales and marketing, as the Company finalises the commercialisation of its newly developed cybersecurity and cloud-based products. The Company will continue to invest in sales and marketing to support revenue growth in the coming years.

Operational Highlights

During 1H FY21, Mobilicom secured repeat purchase orders from its existing global customer base and won new customers including Teledyne Flir (S&P500), Elbit Systems, ST Engineering, Rafael, Plasan, Smart Shooter, and other leading drones and robotics suppliers.

Post-period end, Mobilicom launched its AI-based Immunity Cybersecurity and Encryption (ICE) cybersecurity suite to provide industry-leading 360° protection for commercial and industrial drones, robotics, and autonomous platforms against a wide variety of malicious attacks.

The ICE cybersecurity suite is the first AI-based 360° system in the world to be able to detect, prevent and respond to multiple drone/robotics cyber-attacks in real-time without requiring intervention by an operator. The ICE multi-faceted and multi-layered suite protects the platform, safeguards communication channels, and encrypts the data that is transmitted and collected.

The Company intends to incorporate its ICE Cybersecurity Suite into its range of end-to-end smart solutions across both the Mobilicom and SkyHopper brands.

Strategic Partnership

Post-period end, Mobilicom entered into a partnership with a US-based designer and manufacturer of RF/microwave amplifiers and integrated radio systems, Triad RF Systems. The partnership enables Mobilicom to cost-effectively expand its presence in the US market, leveraging Triad's existing sales channels and customer base.

The partnership will initially provide an integrated product line featuring Mobilicom's multi-function radios (MCU product family) coupled with Triad's high-power radio solutions. The new product line will include Mobilicom's secure Mobile MESH technology with its ICE Cybersecurity Suite and Triad's smart RF amplifiers to provide the most cost-effective and efficient fully integrated amplified MIMO (multi-input and multi-output) radios for MESH network communications currently on the market.

The integrated product line will target suppliers and manufacturers in the rapidly expanding unmanned/autonomous systems market, and will have clear applications within military and industrial UAV drone and robotic segments, providing end users with enhanced levels of security and performance.

Outlook

Mobilicom remains focused on growing revenue, fulfilling existing orders, and securing new contracts within the commercial and industrial drone and robotics market, which is expected to reach US$18 billion by 2026.

As an end-to-end provider of smart solutions for drones, robotics and autonomous platforms, Mobilicom will continue to grow its complementary software offering and transition to a SaaS business with long-term recurring revenues.

Additionally, the Company is enhancing its operational efficiencies as it works to reduce and control overhead costs.

-ENDS-

Authorised for release by the Board of Mobilicom Limited.

For more information on Mobilicom, please contact:

Tristan Everett
Media Relations
+61 403 789 096
tristan.everett@marketeye.com.au

Stephanie Ottens
Investor Relations
+61 434 405 400
stephanie.ottens@marketeye.com.au

Oren Elkayam
Mobilicom Ltd
oren.elkayam@mobilicom.com

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/