

IPO BRIEFING NOTE

Investment Highlights

Mobilicom sells leading edge mission critical software and hardware to governments and enterprises. It offers:

- Innovative approach combining 4G with Mobile Mesh
- Experienced management team with strong industry track record and technical expertise
- Existing commercial products and sales generating revenues from multiple customers
- Ability to rapidly adapt and innovate as all products and software are developed internally
- Multiple revenue sources and healthy margins
- Cost and deployment advantages over potential competitors
- Validation and acceptance of products by substantial customers in varying fields

Company Overview

Mobilicom Australia is a public company that was incorporated on 2 February 2017 to act as the parent company of Mobilicom Israel and the entity which will seek admission to the Official List of ASX.

Mobilicom Israel was formed in 2008 and has singly focussed on developing mission critical software products for sale to governments and large enterprises. It is planning to expand significantly to the broader commercial markets, especially supplying advanced communications products to drone manufacturers using its existing IP. On completion of the Transaction, Mobilicom Israel will become a wholly owned subsidiary of Mobilicom Australia.

Mobilicom provides private wireless networks for mobile platforms and users without the need for any existing infrastructure. Based in Israel, it has already established a global reach with more than 30 clients in 12 countries across Europe, Asia and the United States which includes large multinational corporations. Mobilicom's core technology merges 4G with mobile mesh networking to create solutions various commercial applications including maritime, transportation, disaster relief, security and surveillance.

The IPO will fund research and development, sales and marketing, manufacturing and other operational expenses as Mobilicom pursues expansion of its activities in current markets, while allowing it to target new customers and develop its technology for the rapidly growing commercial sector.

Products

Mobilicom Israel's products and technologies are based on an innovative approach merging 4G communication technology with Mobile Mesh into a unified solution and has a number of product families which have been commercially deployed.

OFFER DETAILS

Offer Type:	Initial Public Offering
Securities Exchange:	ASX
Issuer:	Mobilicom Limited
ASX Code:	MOB
Shares offered	37.5m
Issue Price per Share:	\$0.20
Offer Size:	\$7.5m
Shares on issue after offer	217m
Market Capitalisation (at listing):	\$43.5m

INDICATIVE TIMETABLE

Lodgement of Replacement Prospectus with ASIC	21 March 2017
Offer Period opens	21 March 2017
Offer Period closes *	14 April 2017
Issue of New Shares, New Options and Exchange Options *	21 April 2017
Dispatch of holding statements *	26 April 2017
Quotation of New Shares on ASX (subject to ASX approval)	5 May 2017

* Indicated timetable varies from Prospectus based on anticipated early Offer close date.

This term sheet is a summary only of information in the replacement prospectus and should be read in conjunction with that document dated 21 March 2017

The key features of the Mobilicom Israel solutions are:

- Bound free system – no dependency on outside infrastructure
- Software defined radio technology
- No single point of failure
- Triple layer security
- Flexibility – due to having been developed internally “down to the bit”
- Ultra-high mobility speeds

Business Model & Market Strategy

Mobilicom Israel has adopted an innovative approach in constructing its private telecommunications networks by merging 4G communications technology with Mobile Mesh into a unified solution. Mesh solutions involve the wireless connection of multiple communication devices or nodes into a continuous self-configuring network where these nodes interact with each other to form a wireless ad-hoc network. The Mobilicom Israel approach has a number of distinct features and potential advantages over other private network communication solutions as described in this Prospectus.

Currently the majority of Mobilicom Israel’s sales are mainly derived from government and enterprise customers. These customers are usually slow adopters in respect to technology but have in Mobilicom Israel’s experience demonstrated a capacity to be a source of repeat business.

Mobilicom is taking advantage of its field proven technology and targeting the fast growing commercial drones and robotics market. Mobilicom is developing solutions in this sector for critical operations on sea, land and in the air when deployed with autonomous drones in industries such as mining, petrochemical, utilities and for public safety.

Mobilicom Australia intends to apply funds raised from this Prospectus to accelerate sales into these existing government and enterprise sectors as well as new commercial sectors areas that require mission critical communications solutions.

The business is protected by a mixture of patents and internally developed trade secrets and know how. Mobilicom controls the products from R&D to manufacturing.

Trading

A\$000	FY2013	FY2014	FY2015	1H2016
Revenue	511	1,103	1,710	1,405
Cost of sales	(93)	(214)	(326)	(201)
Gross profit	418	889	1,384	1,204
Research and Development	(1,135)	(1,349)	(1,437)	(596)
General and administrative	(147)	(824)	(474)	(193)
Sales and marketing	(348)	(210)	(565)	(251)
Other (expenses)/income	(120)	262	(1)	(17)
EBITDA	(1,331)	(1,232)	(1,094)	147
Depreciation	(21)	(25)	(27)	(10)
EBIT	(1,352)	(1,256)	(1,121)	137
Net interest income/(expense)	(3)	(3)	(6)	(2)
Net profit before tax	(1,356)	(1,259)	(1,127)	135
Taxation expense	-	-	-	-
Net profit after tax	(1,356)	(1,259)	(1,127)	135
Other comprehensive income	(34)	(8)	(2)	(140)
Total comprehensive loss for the period	(1,389)	(1,267)	(1,129)	(5)

Board & Executive Team

BOARD OF DIRECTORS

Oren Elkayam	<p>Mr Elkayam (CEO and Co-Founder of Mobilicom Israel) has worked at both business development and CEO levels with leading companies in the wireless communications space (including as VP Business Development at Runcom Ltd and CEO of Sortech Ltd). Mr Elkayam has initiated and negotiated contracts with top global carrier companies such as Alcatel-Lucent, Nortel, Mitsubishi and Motorola. He has also led a number of investment rounds with US venture capital funds. He has been a voting member on both the Institute of Electrical and Electronic Engineers (IEEE) and WiMAX international committees, and served as an officer in the Israeli Air Force in an elite research and development unit.</p> <p>Mr Elkayam holds B.Sc in Electrical Engineering and an MBA (magna cum lauda) all from Ben-Gurion University, Israel.</p>
Yossi Segal	<p>Mr Segal (Vice President of R&D and Co-Founder of Mobilicom Israel) was the former CTO and a founding member of Runcom Ltd. Mr Segal is a worldwide expert in OFDM/A and has written essential patents for OFDM/A technology, being the first to implement OFDM/A in a working product. He has also previously led the design and development groups of three mobile integrated circuits (IC chip) and eight wireless broadband systems which are currently in operation and sold worldwide. Mr Segal has taken a leading role in several international wireless standards (IEEE and ETSI) as a committee voting member, and served in the Israeli Army as an officer in an elite electronic warfare research and development unit.</p> <p>Mr Segal holds B.Sc (magna cum lauda) and M.Sc in Electrical Engineering and an MBA all from Ben-Gurion University, Israel.</p>
Campbell McComb	<p>Mr McComb has over 20 years' experience in funds management and investment banking, and has overseen the development of numerous businesses. Over his career, Mr McComb has gained significant investment experience across equity securities, venture capital and private equity.</p> <p>Mr McComb currently runs the Venture Capital and Funds business of Greenwich Capital Partners, an alternative investment management firm with offices in Melbourne and Sydney, and is an adviser to a Singapore based Alternatives Fund.</p> <p>Most recently Mr McComb served as Chief Investment Officer of The Adcock Group, a single family office, and prior to that as Managing Director of Easton Investments, an ASX listed Investment Company, where he was responsible for overseeing the growth of the business to approximately A\$1bn of funds under management and advice.</p> <p>Mr McComb holds a Bachelor of Economics from La Trobe University and a post graduate diploma in Applied Finance & Investment from the Securities Institute of Australia. He is a Graduate Member of the Australian Institute of Company Directors as well as a Fellow of the Financial Services Institute of Australia.</p>
Mark Licciardo	<p>Mark Licciardo B Bus(Acc), GradDip CSP, FGIA, FCIS, FAICD is the founder and Managing Director of Mertons Corporate Services. A former company secretary of Top 50 ASX listed companies Transurban Group and Australian Foundation Investment Company Limited, his expertise includes working with boards of directors in the areas of corporate governance, administration and company secretarial. Mark is also the former Chairman of the Governance Institute of Australia Victoria division and Melbourne Fringe Festival. He is also a current non-executive director of a number of public and private companies. Other ASX listed directorships include: Frontier Digital Ventures (ASX:FDV); iCar Asia Limited (ASX:ICQ); Ensogo Limited (ASX:E88)</p>

EXECUTIVE TEAM

Offer Herman – Vice President Sales and Marketing	<p>(Offer Herman - Mr. Herman has more than 20 years of delivering revenue in highly competitive markets in the telecommunication industry. Mr. Herman held various senior positions in sales and marketing at several high tech companies in Israel. He has led a variety of sales and marketing initiatives in EMEA, Asia and the Americas. Prior to joining Mobilicom Israel, Mr. Herman was Sales Director at Fiberzone Networks, where he led sales and marketing activities in the Asian and EMEA telecommunication markets.</p> <p>Before Fiberzone, Mr. Herman worked at RiT (NASDAQ: RITT) for ten years, as VP of Sales. In his position at RiT, he was responsible for expanding RiT's reach into new markets, leading several multi-million dollar deals with the world's largest carriers and enterprises. Mr. Herman also served as a Sales Manager at ArelNet, one of the pioneers of VOIP technology.</p> <p>Mr. Herman holds a B.Sc. degree in Industrial Engineering from the University of New Haven in Connecticut.</p>
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Boaz Pick – Vice
President Operations
and Production

Mr. Pick has over twenty years of experience in operations, supply chain and engineering executive management in global leading companies. During his career as senior operation executive in small, mid-size and large High Tech public companies, he established and managed efficient manufacturing processes, logistics, purchasing and cost effective production. In his previous positions, Mr. Pick served as Sr. Director of global manufacturing engineering at VeriFone Systems, Inc., VP Operations and Supply Chain at EPOS and VP Operations and Supply Chain at VCON Telecommunications Ltd.

Mr. Pick holds a B.Sc. degree in in Electronic Engineering from the Technion, Israel Institute of Technology, Haifa.

Use of Funds

IPO funds will be primarily deployed in driving international sales growth in existing products and building a presence in the commercial market.

AU\$000	Year 1	Year 2	Total
SOURCE OF FUNDS			
Capital Raising	7,500	Nil	7,500
Estimated Starting Cash Balance	3,903	5,359	3,903
Grants	648	979	1,627
Source of Funds Sub-Total	12,051	6,338	13,030
Costs of Capital Raising/Offer	916	Nil	916
Research and Development	1,589	2,119	3,708
Sales and Marketing	1,205	1,499	2,704
Manufacturing	928	1,074	2,002
General and Administration	2,054	1,590	3,664
Expenditure Sub-Total	6,692	6,282	12,974
Working capital at end	5,359	56	56

Lead Manager Contact Details

Lodge Corporate Pty Ltd

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Disclosure

Lodge Corporate, and their respective directors and associates will earn management and selling fees in respect of this IPO.