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Zacks Small-Cap Research

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Siyata Mobile Inc. **(SYTA-NASDAQ)**

SYTA: Initiating Coverage - Inflection Point in 2H21 for Sales Growth & Higher Margin Exposure to the United States

Based on an industry average EV/Sales 2.9x our 2022 Sales estimate, we believe the stock could be worth $16.00 per share.

Current Price (7/26/21)	$7.21
Valuation	**$16.00**

OUTLOOK

We are initiating coverage of Siyata Mobile (SYTA) with a $16 price target valuation.

Siyata Mobile is a niche player for push-to-talk over cellular (PoC) with its in-vehicle devices, rugged smartphones and cellular signal strength boosters. Sales growth catalysts include its flagship in-vehicle device for first responders, school buses and commercial vehicles, expanding cellular boosters sales opportunities and an upcoming new product.

We estimate positive adjusted EBITDA profitability could be reached in 2022 from growing sales and operating leverage. If so, a re-rating could occur.

SUMMARY DATA

52-Week High	**$15.75**
52-Week Low	**$3.90**
One-Year Return (%)	**-26**
Beta	**1.42**
Average Daily Volume (sh)	**29,438**
Shares Outstanding (mil)	**4.8**
Market Capitalization ($mil)	**$34.7**
Short Interest Ratio (days)	**1**
Institutional Ownership (%)	**32**
Insider Ownership (%)	**14**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2021 Estimate	**N/A**
P/E using 2022 Estimate	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Value**
Industry	**Tech-Comm Equip**

ZACKS ESTIMATES

Revenue
(in millions $ USD)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2020	2.3 A	2.1 A	2.3 A	-0.7 A	6.0 A
2021	4.0 A	2.6 E	4.3 E	3.6 E	14.5 E
2022	4.4 E	5.5 E	9.2 E	6.1 E	25.2 E
2023					35.2 E

EPS
($ USD, Adjusted)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2020					-$7.58 A
2021	-$0.32 A	-$0.50 E	-$0.29 E	-$0.42 E	-$1.53 E
2022	-$0.20 E	-$0.12 E	$0.04 E	-$0.22 E	-$0.50 E
2023					$0.11 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

INITIATION OF COVERAGE

- We initiate coverage of Siyata Mobile Inc. (SYTA) with a valuation price target of $16 per share.

- Siyata Mobile is a developer and provider of cellular communication systems for enterprise customers and first responders. The company's solutions include in-vehicle mounted communication devices, rugged smartphones and cellular signal boosters. SYTA targets vehicle fleets, ambulances, school buses, police vehicles, utility fleets, industrial and residential customers. It develops and manufactures under the Siyata brand name and licenses the Uniden® brand name for its UV350 in-vehicle device, its cellular signal boosters and some of its rugged smartphones. Uniden's brand strength and global recognition helps complement SYTA's rising brand awareness.

- Headquartered in Canada. The CEO and Research & Development team are based in Israel. Finance team is based in Montreal and the majority of the salesforce is located in North America.

- The company is a beneficiary of first responders need for next generation communication known as Push-to-Talk over Cellular (PoC). PoC is the next-generation solution displacing traditional land mobile two-way radios (LMR). LMR does not have as much coverage area or reliability of communication for emergencies and outdoor workers. FirstNet deployment helps PoC adoption.

- Qualifications with major North American carriers in 2019 & 2020 are beginning to bear fruit for 2H21 after the company created dedicated sales infrastructure to serve AT&T (T) and Verizon (VZN).

- The company is also benefiting this year from a sales surge for its cellular signal strength boosters.

- Cellular Signal Boosters could be the company's leading sales growth driver this year. We estimate that revenues in this category can triple this year from 2020. Demand is fueled by rural parts of the US, outdoor workers (fires, disasters, etc), residential landline cutters (switching over to solely cell phones), home offices boom and remote workers. Retailers, manufacturers and utility fleets are becoming more interested in order to provide enhanced and secured coverage.

- Pilots with multiple large potential customers are underway. Cellular booster pursuits in multiple million dollar range instead of previously below $1 million. $1.6m purchase order was won in late 2020 for a water utility provider in Virginia. The company's pipeline of potential customers for cellular boosters could include Department of Transportation in a few states, water utilities and some federal agencies. Conversion of just a few of those would help with 2022 revenues.

- Sales could grow 140% in 2021, partially against an easy comparable from last year. Sales growth in 2022 could exceed 70%. We estimate that growth in cellular signal boosters, the United States and partial recovery in Israel, should comprise the majority of this year's revenue growth. 2022 should benefit with returning demand from school buses, the upcoming new mission critical handset launch (SD7) and continued growth in cellular boosters.

- As previously announced, the new product launch in the second half of 2021 in North America could help revenue growth in 2022 and 2023. During their July earnings call, the company stated they plan to announce details about a low-cost disruptive handset product within 30-60 days. We believe it could be in August according to the Urgent Comm website regarding an event. While unlikely to translate to meaningful revenues until late 2022, it could be a game-changer for 2023. Target markets include defense, first responders, utilities, construction job sites, warehouses, factories.

- **$16.00 per share is our stock price worth target** based on our 2022 Sales forecast and the peer group average of 2.9x EV/Sales 2022.

INVESTMENT THESIS

Investment Thesis

We consider this Version 2.0 of the company's business model, end markets potential, go-to-market approach and profit inflection potential. Version 1.0 lasted through 2019 and was overly reliant on revenues from Europe's 3G product portfolio, not established enough yet in the United States at that time and not tapped in enough in to harness its offerings for its cellular signal boosters.

Version 1.0 did not as effectively utilize a direct selling force, which had many scattered end markets. 2020 was a transition year negatively impacted by COVID-19 and budgets.

Version 2.0 is harnessing its direct relationships with the big carriers (AT&T and Verizon) after qualifications in 2019. Selling through the carriers for a pull-strategy to win new customers.

Today, the company has much better exposure to the higher margin United States. Qualifications with AT&T and Verizon are beginning to bear fruit. FirstNet first responders expansion, growth from cellular signal strength boosters, yellow school buses and an upcoming new product launch are compelling.

Siyata Mobile appears to be turning the corner for revenue growth in 2H21 and 2022. Following two years of soft revenues for credible reasons (slow qualifications of Tier 1 partners, COVID-19, Israel revenues slowdown from 3G transition period to 4G LTE, returns in 4Q21 due to COVID), we believe the company is finally teed up to achieve significant topline growth beginning in 3Q21 (September quarter).

Gross margin could expand 1,200 bps to 38% in 2021 because of the improved focus and relationships in the United States (higher margin), less exposure to Israel (lower margin because of price-sensitive handsets market going very slowly from 3G to 4G LTE) and fast-growing high margin cellular boosters.

Valuation is attractive if revenues can more than double this year and grow 70% next year. The stock appears undervalued and due for a re-rating if revenues grow enough to achieve positive EBITDA. The stock currently trades at only 1.2x EV/Sales our 2022 forecast compared to peers at 2.9x.

$16.00 price target represents 2.9x our 2022 EV/Sales estimate and inline to its peer group average.

<u>Catalysts & Attractive Aspects</u>:

1. Sales Growth Acceleration Expected for Its Higher-Margin End Markets

Important and seemingly overlooked by investors. Israel and Europe comprised the bulk of revenues for many years through 2019, but at a lower profit margin. The United States has become its top growth market along with its highest margin geographic end market.

In tandem with its more profitable exposure to the US, the company's two faster growing products categories are also their highest margin ones (cellular signal boosters & UV350). This, along with being less dependent on lower margin Israel, can trigger strong gross margin expansion in 2021.

2. Scalable Revenues & More Diversified

The company should be capable of scaling up revenues without adding many additional employees. Management stated on its recent earnings call that it would only need 32-35 workers to reach to possibly $40-50 million in revenues down the road. Compared to 25 employees today.

Siyata already established dedicated sales teams in 2020 to support AT&T and Verizon. It can now leverage the salesforces of Motorola, Bell, Rogers, Verizon, AT&T and FirstNet to track down potential large contracts. In other words, the carriers bring customers to Siyata. Instead of Siyata needing dozens of salespeople to track down and locate school bus districts or other opportunities scattered in the US.

Selling & Marketing leverage should kick in during 2H21 from operating leverage as its topline grows.

This scalability advantage is important to achieving positive adjusted EBITDA profitability in 2022 as it benefits from Selling & Marketing leverage. We believe investors are overlooking operating leverage.

Lastly, its geographic revenues today are less dependent on Israel. There is more visibility tied to Tier-1 partners in the United States and Canada like AT&T, Verizon, Bell and Rogers.

3. First Responders & FirstNet with UV350 Offering

UV350 product by Siyata Mobile was the first approved in-vehicle communications IoT device for FirstNet network with AT&T. It took nearly two years to win approval and qualification. Competition is limited in this area because the UV350 is currently the only qualified device of this type on AT&T for FirstNet.

FirstNet is the next-generation approach to communication and better than traditional two-way radio systems because reliability, real-time texting, photos, videos and location services mapping can be sent.

FirstNet is a high-speed wireless broadband network that is dedicated to public safety users to communicate during emergency situations. It was built to migrate public safety and first responders away from less reliable and more costly two-way radio networks to cellular networks.

FirstNet began to rollout in 2018 after all 50 states voted to opt in. AT&T won a $100 billion 25-year agreement as it was tasked to build the national network. There is access via other major carriers. Interoperability has improved dramatically to allow reliable communication on a nationwide basis during emergencies. FirstNet's Band 14 is available today in over 90% of the US and allows wider coverage.

Last month, AT&T stated that they expect to complete the buildout of FirstNet by March 2023.

The attacks on September 11th in 2001 revealed fundamental gaps in communication for first responders. Agencies, fire services, police, EMS and other emergency teams could not communicate with one another adequately on two-way radios. Mobile phone lines became overwhelmed, cell towers had been destroyed and commercial mobile cell traffic prevented smooth and reliable communication among first responders of different groups.

FirstNet is funded by the US government, which set aside Band 14 spectrum (the 20 MHz of 700 MHz) specifically for public safety usage. Traditional two-way radio systems for Land Mobile Radio (LMR) were not as reliable during widespread emergencies. Breakdowns in communication occurred in September 2001, during wildfires (California, Colorado, Washington State, Oregon), hurricanes, electrical outages and damaged cell towers. Nearly 10,000 different and often incompatible Land Mobile Radio (LMR) networks had too much accumulated patchwork over the decades. Creating voids and gaps in range.

The UV350 benefits include being mounted in vehicle, powered by vehicle's battery to avoid battery life drain, echo-cancellation with background noise reduction, clearer conversations in emergency situations, group and fleet communication and nationwide reach. PoC also offers cost savings compared to LMR.

We estimate that FirstNet AT&T currently represents $1-2 million of annual sales for Siyata Mobile and could increase by $1-2 million in 2022. Management estimates a very sizeable potential pipeline for the UV350 with FirstNet. Customer trials and pilots take several quarters to translate to revenues, but we expect awards in 2H21 and throughout 2022. School buses could become a large end market after budgets normalize following the recent COVID-19 delays.

FirstNet deployment and funding helps PoC adoption to take share away from traditional Land Mobile Radio (LMR). We believe the UV350 has ample sales growth opportunity for 2H21, 2022 and 2023. Not only with AT&T, but with other verticals and end markets including yellow school buses.

FirstNet®

AT&T **US$100 Billion** government grant to create FirstNet, a broadband LTE network in the United States, operated by AT&T [1]

2,500,000+ FirstNet Connections

17,000+ public safety agencies

99%+ U.S. population covered

UV350 is the only dedicated in-vehicle PoC device that is certified FirstNet Ready™

1. https://washingtontechnology.com/blogs/editors-notebook/2017/03/att-firstnet-award.aspx

Source: Company's Investor Presentation July 2021, WashingtonTechnolgy.com, AT&T's updated figures July 2021

4. Cellular Boosters for Signal Strength

The company's cellular boosters provide a compelling organic growth catalyst. This product category achieved 30% sales growth in 2020 for SYTA. Cellular boosters amplify cellular signals, which is particularly beneficial in remote areas, difficult to reach parts of the United States, homes and inside structural buildings where signals are weak or suffer interference from other machinery signals.

Poor coverage by major carriers in some rural and hard-to-reach areas is creating demand. As well as the continued trend of decreased landline usage in homes (cord-cutting) and the shift to solely relying upon cellular phones & WiFi inside homes in the US.

Home offices growth, working remotely and the purchase of suburban homes during the past 12 months have created a need for signal boosters and amplification. Restaurants with in-dining seating areas are also purchasing boosters to improve cellular connectivity and secure connections.

In late 2020, Siyata Mobile added a new VP of Sales to their cellular boosters business. The team's salesforce was expanded for drastically more outreach to potential customers. 2020 success was evident with revenues growing 30%. Topline growth has continued during 2021 and could triple this year for boosters. The market it large. For example, Nextivity, a competitor, is believed to generate $100 million of revenues from boosters.

Uniden is the branded name for SYTA's cellular boosters via a license from 2016, renewed through 2022.

5. Yellow School Buses Opportunity

The closing and re-opening of schools, along with lower commercial tax revenues during COVID-19, led to restricted school budgets in 2020. Evident by the revenue decline of Blue Bird (BLBD), a top manufacturer of school buses. BLBD's revenues fell -28% during the 12 months ending March 2021. We believe that many school districts are unveiling higher budgets for the 2021-2022 school year, which should benefit SYTA. The Biden Administration's federal stimulus should help this upcoming school year. Chicago Public Schools recently announced a 10% increase for their coming school year. Michigan also approved a 10% increase and other states are considering 4%+ budget hikes.

UV350 is a promising product for yellow school buses. Siyata Mobile became active in school buses with wins in late 2019 before the COVID-19 pandemic hit. The company had won several purchase orders including one worth $925,000 and one worth $450,000. A more concerted effort began in late 2020 after teaming up with Fleet Complete for a FirstNet school buses effort.

We estimate that yellow school buses could contribute $1 million of sales growth in 2022 and $2 million in 2023. We base that on 1% penetration of approximately 480,000 yellow school buses in the United States. Some of these yellow school buses are designated for emergency-purposes or evacuations.

6. Upcoming New Product Launch Could Be Disruptor

The company plans to announce a Mission Critical Push to Talk (MCPTT) handset new product (SD7) for North America. The announcement of the partner could occur in August, according to their earnings call.

This Mission Critical rugged handset uses Softil's software, formerly know at RADVISION Technology.

The dominant incumbent player is Motorola Solutions for land mobile radio (LMR). Motorola Solutions specializes in the P25 (Project 25 protocol). The P25 two-way radio (not LTE) is outdated and cannot achieve nationwide reach or as many features as PoC. This end market is vast. For example, Motorola Solutions had approximately $1 billion of annual revenue in 2019 from the P25 & PCR products for 10 million users before the COVID downturn. P25 handheld two-way radio sets retail for $500-2,000. We estimate that Motorola Solutions sold 400,000 units in 2019 before the COVID downturn. Outside of P25 players, Sonim is a competitor along with Kyocera and a few others.

<u>If SYTA can price its upcoming handset below that of leading competitors, while demonstrating good design and functionality, then this launch could become successful in late 2022 after trials at customers</u>.

While it is too early and premature to determine if this new rugged handset in North America will be a game-changer, we like the company's focus on volume market share steal. Plenty of opportunity with defense contractors, first responders, construction job sites, warehouses, retailers and factories.

Pricing a more affordable option in the market translates to lower margin. However, incremental gross profit dollars and a large addressable market make this upcoming launch compelling.

We assume 2% market share of 250,000 units market in North America = 5,000 units in 2022

5,000 units sold x $300 ASP = $1.5 million revenues 2022 potential

$1.5m revenues at 28% gross margin = $420,000 gross profit 2022 potential

<u>This launch of the SD7 could give Siyata Mobile inroads into the evolving Mission-Critical Push-to-Talk (MCPTT) category</u>. MCPTT is the globally standardized version of PoC and meets public safety requirements for talker identification, group calls, low-latency, high availability, clear audio quality.

MCPTT could steal market share from the dominant incumbent solution of Land Mobile Radio (LMR) two-way radio. Push-to-Talk over Cellular (PoC) is the next-generation system, which SYTA specializes in for 4G LTE enabled technology. Mission-Critical (MCPTT) is similar to Push-to-Talk Over Cellular (PoC) with the main difference being globally accepted specific parameters for MCPTT.

Samsung's recently launched the Galaxy XCover Pro MCPTT product with AT&T FirstNet for $500. It sold many of them to Walmart for its employees. Samsung also has the Tab Active Pro rugged tablet for FirstNet. However, Samsung's offerings appear to be mostly a skin cover and not as rugged for public safety and challenging environmental conditions. It is too early to tell how much of a threat Samsung is.

7. Profitability Inflection Point in 2022

Positive adjusted EBITDA could be achieved by SYTA in 2022. If so, this could be a re-rating catalyst for the stock's valuation multiple expansion.

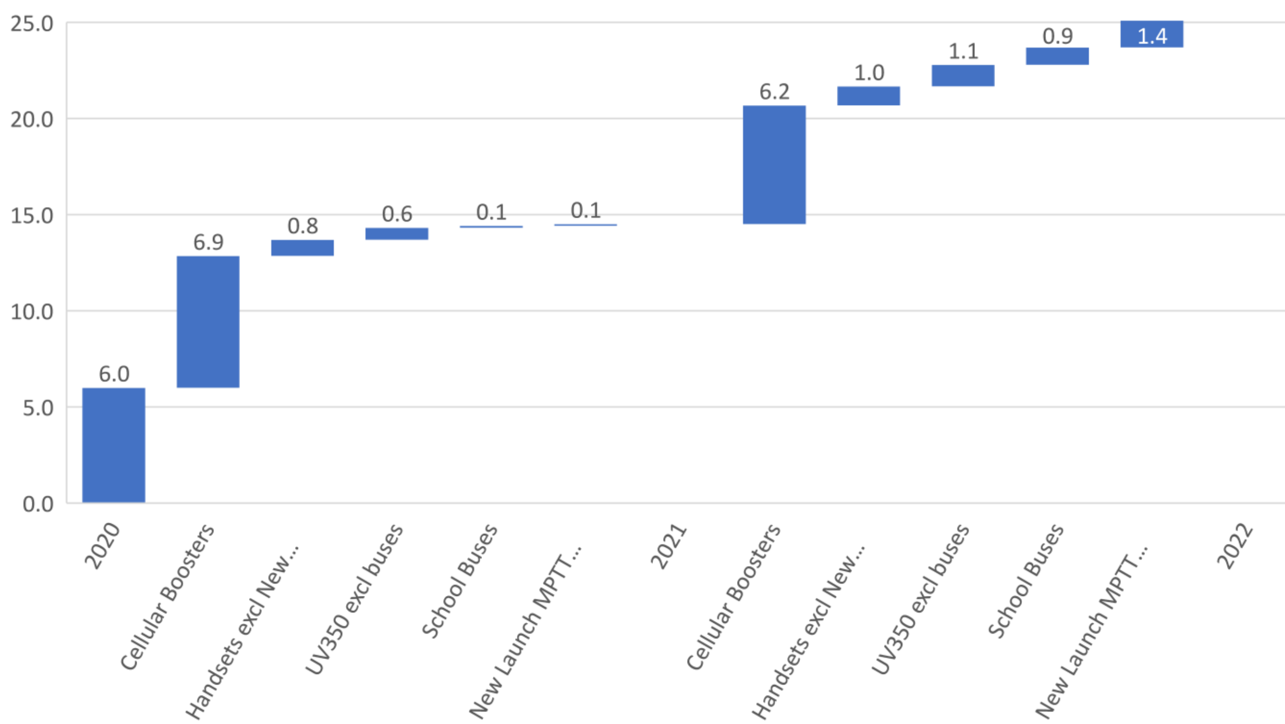
Management believes a $20 million annual sales runrate is needed for adjusted EBITDA. We peg that milestone closer to $25 million, yet admit it could be a lower hurdle if the new handset launch goes well.

We forecast $1 million adjusted EBITDA for 2022 and $4 million for 2023.

However, 2Q21 revenue and gross margin will likely to be lower than 1Q21 results because of one customer's longer-than-expected installation for cellular boosters. The installer partner was replaced by Siyata Mobile after the hiccup, but likely led to an air pocket of revenues in 2Q. We expect that relationship has been preserved and that a follow-on order from that customer could occur in 2H21.

Sales growth in 2H21 & 2022 should come from its cellular signal boosters stealing share from Nextivity, winning school buses for its UV350, the continued ramp-up in FirstNet with its UV350 product and a new rugged handset launch positioned against Sonim and Motorola Solutions.

Incremental Topline Growth Drivers 2021 & 2022



Source: Zacks Investment Research, Inc. Tim Moore, CFA

The stock has underperformed during the past two years likely because of the following reasons:

1. Revenues declined in both 2019 and 2020. $6 million achieved in 2020 was half that of 2017 and 2018. The revenue decline in 2019 was caused by a transition period of 3G sales declining in over-indexed Israel & European markets. The revenue decline in 2020 was caused by the COVID-19 impact on customer budgets and planning.

   Moreover, the company's Uniden UV350 in-vehicle device did not become certified with AT&T until the middle of 2019. Dedicated sales teams for AT&T and Verizon were not hired until 1H20. It often takes several quarters for the productivity ramp-up of salesforces to translate into sales.

2. Delays in reporting its financial results for the 2019 and 2020 fiscal years as well as 1Q21. The delay for reporting its 2020 year results was caused by numerous factors. After a thorough review of the functional currencies of various entities, SYTA changed its functional currency to US Dollars from Canadian Dollars. Previous years financial statements had to be restated for currency translation. There were complex accounting transactions, the hiring of a new CFO and a complaint involving their Israeli accounting firm regarding auditing. The delay for reporting the 2019 year was caused by COVID-19 pandemic and the 45-day extension grant by regulators for reporting deadlines.

   We believe that reporting delays have passed.

3. SYTA's stock price became inflated in 2017 after the FirstNet Authority (First Responders Network) awarded AT&T a 25-year contract in March 2017.

   FirstNet buildout by AT&T was off to a slow start after all 50 states and 6 territories opting in during 2018. It slowed during COVID-19. However, according to AT&T's statement in late July, the buildout and cell site deployable assets have achieved more than 2.5 million connections supporting 17,000 public safety agencies and over 2.7 million square miles covered. Subscriber additions and awareness of FirstNet have improved with 69% growth in subscriber base in the past year and 33% growth in subscribing agencies.

4. Lack of appreciation by investors for the company's evolution to the higher margin United States for 4G LTE and cellular signal boosters. The US comprised only 10% of sales in 2018 and 24% in 2019. We forecast the US could generate 56% of its revenues in 2021. Gross margins are approximately 20 points higher in the US compared to legacy 3G products in Israel and Europe.

   We estimate that gross margin could reach 38% this year and 41% in 2022 compared to 26-27% in 2020 & 2019.

   Cellular signal boosters growth durability might be doubted by some investors or misunderstood. We instead believe that 2021 and 2022 will demonstrate sizeable revenue growth from boosters.

   Remote areas of the US still need boosters as the consumer needs higher data throughput for streaming movies and shows, video conference calls and more clear voice calls. The growth in home offices, remote workers and the move to suburban areas from cities during the past 12 months have also created an increased need for signal boosters. Discontinuing landlines in homes and the continual shift to relying on smartphones is also helping growth. Commercial, retail and enterprise customers are also better recognizing the benefits of boosters.

   We estimate that cellular signal boosters could comprise 65% of this year's revenues.

5. Lack of profitability during the past several years. We forecast positive adjusted EBITDA in 2022.

OVERVIEW & BACKGROUND

- Siyata Mobile Inc. is a developer, designer and provider of cellular communication systems for first responders and enterprise customers. Specializing with in-vehicle mounted communication devices, rugged smartphones, tablets and cellular signal boosters systems over 4G LTE mobile networks.

- Siyata Mobile was founded in 2012. It was part of an Israel-based company, Accel Telecom, until it was spun-out and later went public via a reverse takeover with Teslin River Resources. The current CEO was heavily involved with it as part of Accel Telecom. Accel Telecom was an importer, distributor and integrator of WiFi and home-networking products predominantly within Israel. Motorola Mobility was and remains the #1 land radio operator and provider. After Google acquired Motorola Mobility in 2012, Google shut down a product line. Accel Telecom and Siyata Mobile's current CEO, Marc Seelenfreund, were later approached with a sizeable purchase order to backfill that discontinued line. Marc and his team hired R&D talent from Motorola and worked on developing a 4G rugged handset. This evolved into Siyata Mobile after a reverse acquisition in 2015 and the acquisition of Signifi Mobile in 2016.

- Headquartered in Vancouver, Canada. Research & Development team in based in Israel.

- Stock was listed on the Nasdaq Exchange in September 2020. It had been trading on different ticker symbols and a different exchange for several years prior. IFRS accounting and not GAAP.

- Accel Telcom had owned more than 15% of shares until the Nasdaq listing in September 2020. Accel Telecom currently owns 4% and more with warrants and the possible convert of debentures. Phoenix Holdings in Israel owns 13% of shares.

Source: Company's Investor Presentation July 2021

Pricepoints:
UV350 in-vehicle device are $950, rugged handsets are $300-900 depending on the specs and if 3G versus 4G LTE. Most of the company's rugged handsets today are focused on 4G LTE except for some legacy 3G in Israel. Cellular signal boosters are $300-900.

UV350 & CP250 (In-Vehicle Mounted Devices)
UV350 is an all-in-one vehicle communication device for Push-to-Talk over Cellular (PoC) on 4G LTE. It delivers crystal clear cellular voice calls with extra loud sound quality, enables data applications and more reliable communications. It can be installed on the dashboard or mounted on a windshield.

4G LTE for high-speed data such as videos, photos and messaging, has 5.5" widescreen LED display, a dedicated SOS button, powered by the vehicle's battery for better reliability (instead of batteries), creates a WiFi hotspot, has extended cellular coverage nationwide and GPS coverage with an external antenna.

First responders, enterprise customers and vehicle fleet customers can benefit from its improved connectivity and instant reliable communication. This improves situational awareness, response times and saves additional lives. It caters to vehicle fleets and is competitive against Land-to-Mobile (LMR).

Launched in early 2020, the UV350 has won several purchase orders ranging from $0.3 million CAD to $1.1 million CAD. It is available through AT&T, FirstNet, Verizon, Bell and Rogers.

CP250 device offering is a tablet that can be installed on the dashboard or windshield.

Source: Company's Presentation July 2021

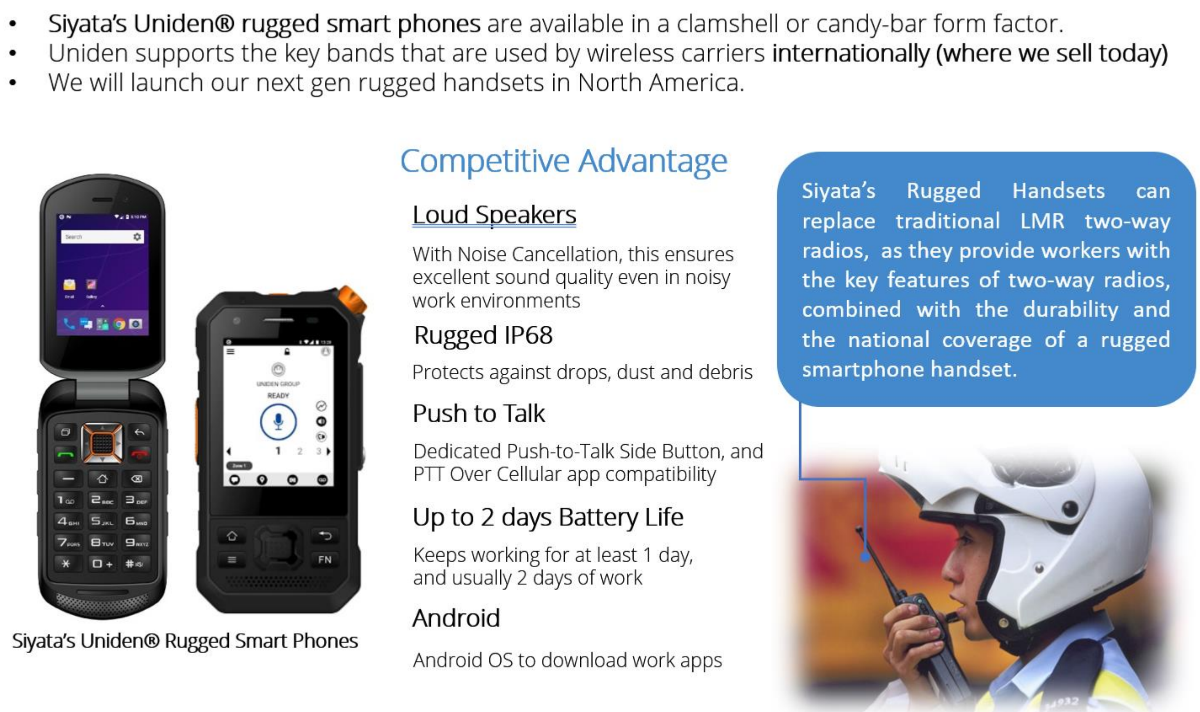
Other countries could transition to FirstNet or become interested in SYTA's UV350 offering. The United Kingdom's public safety network is expected to transition from its current Airwave Solutions network to an Emergency Services Network (ESN) in 2024. South Korea is another opportunity currently building out its nationwide public safety network.

Rugged Handsets (excluding UV350)
These handsets are a substitute for traditional Land Mobile Radio (LMR) two-way radios. They work off a cellular network such as 4G LTE. These handsets are fully ruggedized with echo-cancellation and clear loud speakers. Capable of withstanding extreme temperatures, water resistance and the batteries can last several days. SOS button alerts supervisors of emergency situations while on the job.

Not simply a cover or a skin put over a smartphone like a few competitors have attempted. Instead, SYTA's are purposefully designed by for durability and reliability of communication. The Uniden® UR5 is the all-in-one rugged smartphone PoC on 4G LTE. Uniden® UR7 is a clamshell rugged smartphone for North American bands including Band 14 (FirstNet).

The drawback of this product line is a lower-margin product, which experienced pressures in Israel and Europe in 2020. However, the company has been developing a next-generation Mission-Critical version, which has been guided to launch in North America in late 2021. At a more affordable price point and better design, it could generate sizeable volumes beginning in late 2022 after trials at customers.

We look forward to learning more about this more competitively priced item next month.



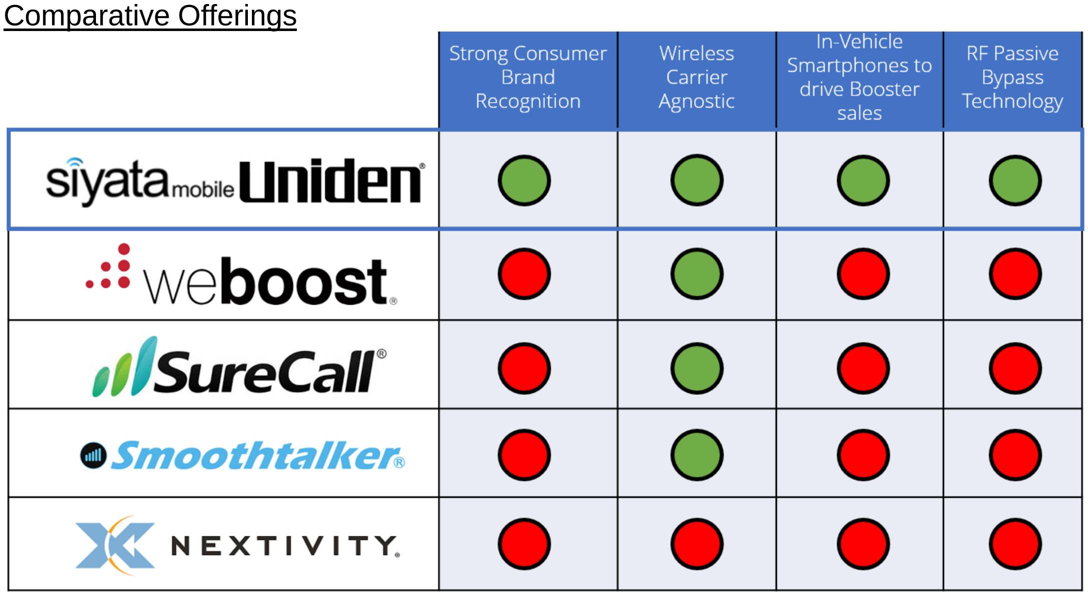
Source: Company's Presentation July 2021

Cellular Signal Boosters
Branded under Uniden® through an exclusive license in the US and Canada. These kits and products strengthen and amplify a cell phone signal to improve reception indoors. SYTA's cellular boosters help for homes, factories and also in vehicles for first responders and truck or van fleets such as utility trucks.

Global cellular booster and signal repeater market is estimated to be nearly $10 billion. While the bulk of that market revenue is from Asia Pacific due to urbanization and growing populations, we believe SYTA's true addressable market is closer to $3-4 billion for cellular boosters. It is a fragment market though with the opportunity to gain market share in a growing pie.

Source: Company's Presentation July 2021

<u>Comparative Offerings</u>



Source: Company's Presentation July 2021

Customers
Top 4 Customers represented 41% of Sales in 2020 and 49% of Sales in 2019.

AT&T is its largest customer at 14% of Sales in 2020. Other large customers include a cellular booster vendor partner for US & Canada, Motorola Solutions in Israel, Bell Mobility, Rogers, Pelephone, Cellcom.

73% of Sales in the March 2021 quarter and more than 60% in 2020 were through channel partners, resellers and distributors. Channel partners have included Ingram Micro, Tango, Fleet Complete, Source Inc, Insight, Vive Wireless, Hyperion Partners, TASSTA and Pei Tel.

Source: Company's Presentation July 2021

Contract Wins Announced Since 2019
Announced several purchase orders during the past two years for first responder projects, healthcare workers battling COVID-19, a major water utility in VA, FirstNet with AT&T, a sizeable order for the UV350 in Australia and rugged equipment for the Middle East.

By having dedicated individual salesforces for each AT&T and Verizon, we believe that SYTA can harness those carriers to bring in orders for school districts, ambulances, water utilities, firefighter groups, industrial companies, in-dining restaurant chains and other enterprise customers.

A pull-model, which is attractive for scaling up revenues and reaching untapped areas that SYTA could not have easily achieved on its own or as efficiently (cost-wise).

Acquisitions
The company has not been overly active with acquisitions during the past six years.

ClearRF was acquired in March 2021 for $350,000 including common shares issued for an upcoming March 2022 payment component. Earnout of an additional $350,000 might be paid in March 2022 if targets are met, making the total purchase price $700,000. Recent annual sales are approximately $400,000 and the company is profitable with cross-selling potential.

ClearRF is based in Washington State and produces machine-to-machine cellular amplifiers (signal boosters) for commercial and industrial applications. It is designed for internet-of-things (IoT) and should help SYTA penetrate more into military, government verticals, rail (on-board and wayside systems), fire systems and security systems. Pass-through technology allows passive bypass of the amplifier during loss of power or when a fault is detected. This helps eliminate disrupting noise power when too close to a cell tower. Manufacturing facility is in the United States.

Signifi Mobile Inc was acquired in 2016, which was a Montreal-based company making and selling Uniden cellular signal boosters mostly in Canada. Signifi Mobile had approximately $2.7 million revenue for the year ending March 2016. The purchase price exceeded $350,000 CAD and got SYTA more into cellular boosters.

Truckfone was acquired in 2015, which was a vehicle-dedicated mobile phone with a power speaker and dedicated microphone and external antenna for extended cellular coverage.

Future acquisitions could include intellectual property (IP), growing profitable products or installers for in-vehicle devices.

Improved Board of Directors
A new Chairman of the Board of Directors was appointed in February of this year. An additional board member was also appointed in February with more diverse experience at a public company.

SEGMENTS & PRODUCTS FORECASTS

Segments are currently only reported as geographic regions. Not by product group. We hope that the company will consider reporting revenues by product lines for 2021.

We attempted product area estimations of revenues and gross margins further below.

(Millions US Dollars, December Year-End)

Revenues	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
United States	1.1	2.3	2.7	8.0	16.9	25.3
Canada	1.7	1.2	1.7	2.5	3.4	4.1
EMEA	8.2	6.2	1.5	3.7	4.6	5.3
Australia & New Zealand	0.0	0.0	0.2	0.2	0.3	0.5
Total Revenues	**11.0**	**9.8**	**6.0**	**14.5**	**25.2**	**35.2**

Revenue Growth	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
United States	NA	120%	15%	200%	110%	50%
Canada	NA	-28%	37%	50%	35%	20%
EMEA (mostly Israel)	NA	-24%	-76%	150%	25%	15%
Australia & New Zealand	NA	-73%	1309%	50%	50%	40%
Total Revenues Growth		**-11%**	**-39%**	**142%**	**74%**	**39%**

% of Revenues	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
United States	10%	24%	45%	56%	67%	72%
Canada	16%	13%	28%	18%	14%	12%
EMEA	74%	63%	24%	25%	18%	15%
Australia & New Zealand	0%	0%	3%	2%	1%	1%

Gross Margin (estimate)	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
United States	NA	NA	NA	46%	47%	48%
Canada	NA	NA	NA	35%	37%	37%
EMEA	NA	NA	NA	24%	25%	24%
Australia & New Zealand	NA	NA	NA	24%	24%	24%
Total Gross Margin	**14.5%**	**29.2%**	**26.4%**	**38.1%**	**41.5%**	**42.6%**

Source: Zacks Investment Research, Inc. Tim Moore, CFA

Below are our own estimates of product line revenues and gross margins:

(Millions US Dollars, December Year-End)

Sales by Product Line (estimate)	2018	2019	2020	2021E	2022E	2023E
Rugged Handsets (excluding UV350)	NA	7.8	2.5	3.3	4.3	5.0
In-Vehicle Devices (UV350 incl school I	0.0	0.0	0.9	1.6	3.6	6.2
New Launch Mission-Critical Handset	0.0	0.0	0.0	0.1	1.5	4.1
Cellular Signal Boosters	NA	2.1	2.6	9.5	15.7	19.9
Total Sales	**11.0**	**9.8**	**6.0**	**14.5**	**25.1**	**35.2**

Sales Growth by Product Lines (estim	2018	2019	2020	2021E	2022E	2023E
Rugged Handsets (excluding UV350)	NA	NA	NA	33%	30%	17%
In-Vehicle Devices (UV350 incl school I	NA	NA	NA	80%	125%	70%
New Launch Mission-Critical Handset	NA	NA	NA	NM	NM	175%
Cellular Signal Boosters	NA	NA	NA	260%	65%	27%

% of Revenues	2018	2019	2020	2021E	2022E	2023E
Rugged Handsets (excluding UV350)	NA	79%	41%	23%	17%	14%
In-Vehicle Mounted Devices (UV350)	0%	0%	15%	11%	15%	18%
New Launch Mission-Critical Handset	0%	0%	0%	1%	6%	12%
Cellular Signal Boosters	NA	21%	44%	65%	62%	56%

Gross Margin by Product Lines (est)	2018	2019	2020	2021E	2022E	2023E
Rugged Handsets (excluding UV350)	NA	NA	NA	20%	20%	20%
In-Vehicle Mounted Devices (UV350)	NA	NA	NA	38%	45%	46%
New Launch Mission-Critical Handset	NA	NA	NA	20%	29%	32%
Cellular Signal Boosters	NA	NA	NA	44%	47%	48%

Source: Zacks Investment Research, Inc. Tim Moore, CFA

INDUSTRY OUTLOOK & INDUSTRY POSITION

INDUSTRY OUTLOOK - POSITIVE

Our outlook for cellular devices usage, Push-to-Talk Over Cellular (PoC), 4G LTE and cellular signal strength boosters communication equipment is Positive.

There were approximately 5 million Push-to-Talk Over Cellular (PoC) users in the United States in 2020. Global PoC market is projected to grow at a 11% CAGR from 2021-2031 & by 13% CAGR for public safety and security segments (according to Persistence Market Research).

Three secular growth drivers should benefit Siyata Mobile:

1) Transition and evolution from Land-Mobile-Radio (LMR), which dominated the past several decades, to the adoption of Push-to-Talk Over Cellular (PoC) and Mission-Critical Push-to-Talk (MCPTT).

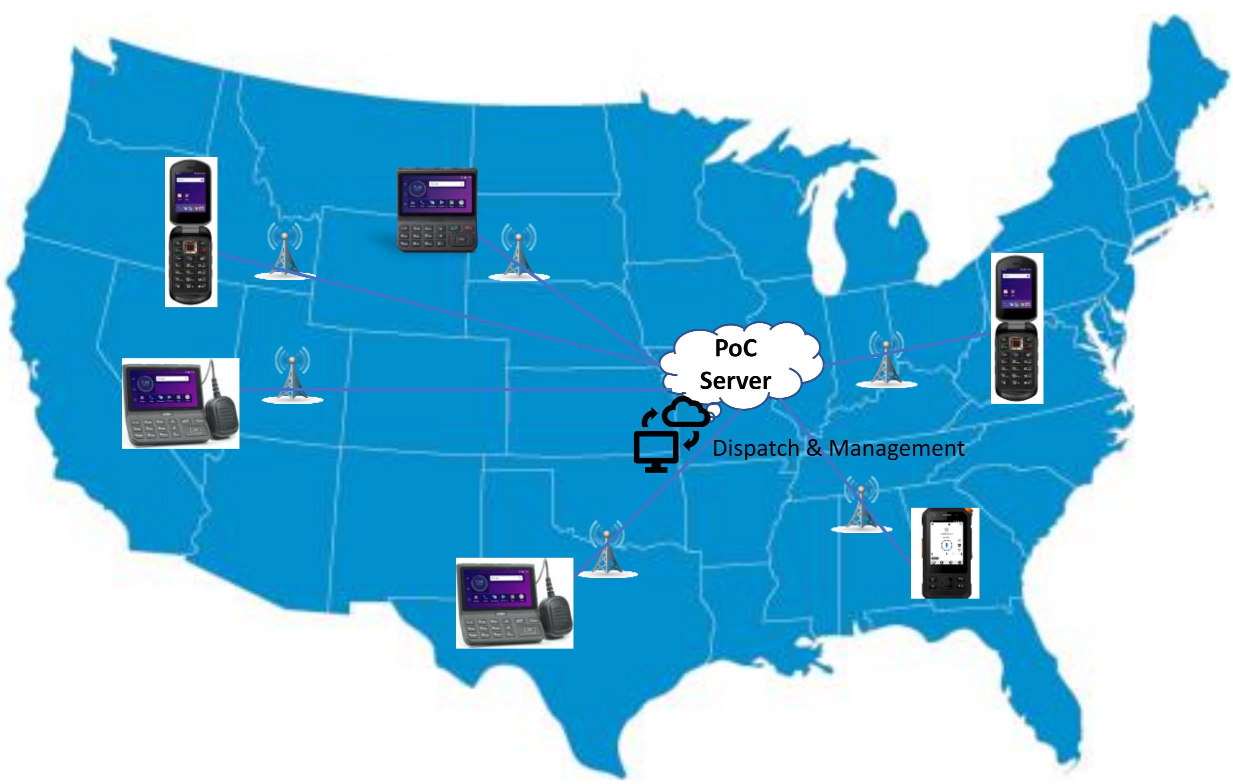
2) Boosters for Cellular Signal Strength

3) First Responders, FirstNet, Yellow School Buses

Push-to-Talk Over Cellular (PoC) is the growing replacement for antiquated Land Mobile Radio (LMR) that has existed the past several decades. PoC has national coverage, unlike two-way radios that are on unassembled fragmented networks and limited range because relying on only a local radio bandwidth. PoC has less interference and dropped communication. It also has GPS, emergency notification, instant messaging, video transmission and easier companywide usage. PoC also has significant costs savings.

PoC and Mission-Critical PoC are beginning to chip away at the other conventional option of land mobile radio (LMR). Fueled by better reliability and a more-connected infrastructure with enhanced features.

Below highlights Push-to-Talk Over Cellular (PoC) superior reach & capabilities, unlike 2-way radios.

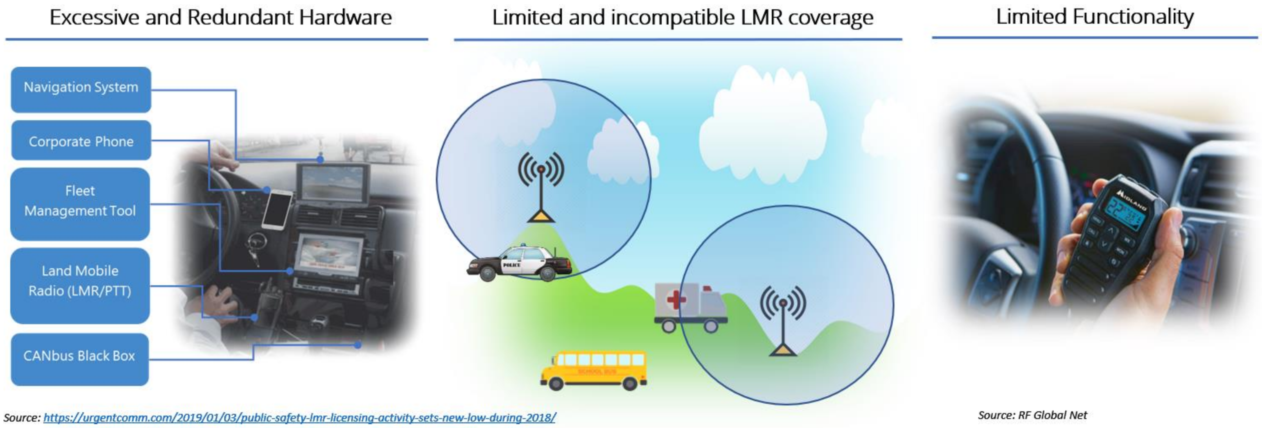


Source: Zacks Investment Research, Inc.

Current Market Limitations with Legacy LMR

Land Mobile Radio (LMR) hardware OR Two-way radios

- X There are **10,000 different and incompatible LMR networks** in use by first responders in the U.S.
- X **Excessive** and **inefficient**, cluttering in-vehicle cabins creating **additional costs**
- X **Limited coverage,** creating **dead zones** for first responder vehicles, public transportation and commercial vehicles.
- X LMR is **restricted in functions** — limited to voice and low capacity data
- X LMR **limits the ability for first responders to communicate with each other**
  - ✓ Siyata's Push to Talk Over Cellular (PoC) allows for a unified network



Source: Company's Presentation July 2021, RF Global Net, Urgent Comm

<u>5G Opportunity</u>

We believe that 5G (fifth generation of broadband cellular networks) will take four years until it becomes a predominant usage in North America. According to Bloomberg Intelligence market report, there were nearly 20 times as many 4G subscriptions as 5G in 2020 in North America. Bloomberg Intelligence forecasts 2021 to have 5 times as many 4G subscriptions as 5G. Twice as many 4G as 5G in 2022 and not equal until late 2023 or early 2024.

5G is slowly being adopted and penetrating in the United States and Canada. 5G download speeds of data are potentially 5-25 times as fast as 4G LTE, depending where you are and cellular towers density. However, 5G is not 5-25 times faster in smaller towns and more remote areas of the United States and Canada. In those areas, it might only be twice as fast until more small cell towers are installed over the next several years. In some areas, 5G is only 76% faster than 4G LTE as of spring 2021.

Importantly, for Siyata Mobile's main customers, 4G LTE is more than adequate for the connection speeds and transfer speeds for data. Videos, audio files, live phone calls and communication is impressive enough on 4G LTE for SYTA's main customers. They are not streaming 4K movies in the mountains or forests, so 5G is overkill.

According to the company, no major customer has inquired about 5G offerings by Siyata Mobile as of July 2021. That said, we would expect the company to develop 5G compatible products in 2023. In the meantime, we believe 4G LTE will be around for several years and not disappear for target markets.

Addressable Market

Siyata's three core product categories are 100% complementary with each other, and target primarily the Commercial and First Responder markets.

	1) In-Vehicle Devices	2) Rugged Handsets	3) Cellular Boosters
Unit Opportunity	~3.5 million[1] first responder and public sector vehicles in the United States. ~17.6 million[1] commercial vehicles in the United States. ~3.5 million[2] first responder, public sector, and commercial vehicles in Canada.	~47 million[1,3,4] enterprise task and public sector workers across North America (NA) including construction, transport & logistics, manuf., energy & utility, public safety and federal government	~30 million boosters sold globally
Market Opportunity	~**US$19 billion** in North America alone	@ US$445 ASP (across all market segments) implies the NA rugged handset market is **US$21B** [1,3]	The global booster market was valued at **US$10.0B** in 2020 and is expected to reach **US$19.7B** by 2026[5].

[1] https://www.bts.gov/sites/bts.dot.gov/files/docs/browse-statistical-products-and-data/national-transportation-statistics/223001/ntsentire2018q3.pdf#page=41 and VDC Research Report, "Key Success Requirements For In-Vehicle Push to Talk Communications Solutions" August 2019
[2] http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/trade14a-eng.htm
[3] https://ascfusa.org/first-responders/
[4] https://ir.sonimtech.com/financial-information/financial-results
[5] https://www.marketwatch.com/press-release/signal-booster-market-2020-top-countries-data-market-size-share-analysis-to-2026-with-business-opportunities-and-growth-forecast-by-360-research-reports-2020-10-16

Source: Company's Presentation July 2021, bts.dot.gov, statcan.gc.ca, ascfusa.org, marketwatch.com

We take a more conservative approach to the total addressable market for Siyata Mobile than their presentation above. Particularly for the Rugged Handset market, which might equate to $4 billion of truly addressable market after backing out Motorola Solution's entrenched offerings with the police and defense end markets.

We base it on the nearly 9 million public workers in North America and assume that 25% of the 38 million enterprise task force workers are true potential leads.

Global Cellar Boosters and Signal Repeaters markets appears to be a $5 billion market for SYTA after factoring out much of the Asia Pacific, where SYTA has very little exposure today. Asia Pacific is a beneficiary of urbanization and growing populations.

Nonetheless, SYTA's realistic total addressable market exceeds $10 billion. If Siyata Mobile were to achieve 0.5% market share, that could equate to at least $50 million in revenues.

INDUSTRY POSITION

Motorola Solutions has the lion's market share of the Land-Mobile Radio (LMR) market including the large chunk tied to the US Army, military and police. LMR is a $ 20-25 billion global market including Motorola Solutions, L3 Harris, Thales, Sepura, Codan, Hytera, Raytheon, Tait and JVC Kenwood.

COMPETITORS (Rugged Handsets)

Motorola Solutions (MSI): the leader in Land Mobile Radio (LMR) and portable radios.

Sonim Technologies (SONM): a sizeable player in Push-to-Talk (PoC) rugged mobile devices and tablets for work environments and the expanding mission-critical arena. XP8 and XP5S are on FirstNet. Based the United States.

Kyocera (6971.T): a Japanese-based company, which offers several PoC rugged mobile devices including Duraforce Pro2 for FirstNet.

Bullitt Group Mobile Ltd: a British-based company is a licenses of Caterpillar for Cat Phones. It also designs a few rugged handsets for Motorola (Motorola Defy) and Land Rover.

Caterpillar (CAT): Cat Phones, typically via Bullitt's license, has waterproof smartphones that operate up to 5 meters depth. S42 product is targeted at police, warehouse workers, truck drivers and buses.

Samsung (005930.KS): recently launched a Galaxy XCover Pro for Mission Critical Push to Talk for first responders in South Korea and in some AT&T areas. Its Galaxy Note Ultra pen tablet is FirstNet Ready compatible. Galaxy S20 & S9 are FirstNet compatible.

Tait International Ltd: was based in New Zealand and is part of Tail Communications parent company. Tail Communications offers handsets and a unified vehicle radio device and product for cellular networks.

Hytera US: offers a rugged PoC radio, one with a car kit and a rugged smartphone. Is a subsidiary of the Chinese manufacturer of radio systems and receivers.

Apple (AAPL): has iPhone 11 Pro on FirstNet, but does not seem rugged or a long battery life.

COMPETITORS (Cellular Signal Boosters)

Nextivity: signal booster designer of Cel-Fi that helps cellular coverage with signal boosters for enterprises, business, residential and transportation end markets. It helps to eliminate in-building deadzones.

Wilson Electronics (We Boost): We Boost and WilsonPro cellular signal boosters offers many models for home use, the industrial sector and government buildings. Wilson made a recent acquisition for signal boosters for RVs and trailers. Founded in the 2000s and owned by private equity.

SureCall: designs home boosters, office boosters, mobile boosters, RV/Trailer boosters with partners of Verizon, AT&T, Sprint, T-Mobile & US Cellular. Privately owned firm founded in 2001.

Smoothtalker: founded in 2001 and one of the first digital mobile amplifiers in North America to receive FCC approval. Designs boosters for the US and Canada, cell phone holders, antennas.

FINANCIALS & RECENT RESULTS

Historical financials were recently restated for the company's change in functional currency from Canadian Dollars to US Dollars in October 2020.

Due to fluctuations in the currency exchange rates during the months and quarters of 2020, along with the change in shares outstanding count, our estimates of US Dollar-denominated income statement items for the quarters of 2020 are not actual.

We expect the company to report the year-ago quarterly income statement in US Dollars as it reports results for 2Q21, 3Q21 and 4Q21. 2020, 2019 and 2018 years were restated for US Dollar currency.

2020 Year Results

Lackluster revenues were caused by the COVID-19 impact on budgets in Israel, delayed deployments in school districts and at a few other customers. 4Q20 has several one-off expenses including bad debt and inventory impairment while generating negative revenues caused by the returns in Israel.

4Q20 had negative revenues (-$680,000) caused by $1.7 million of returns by two large customers in Israel. These customers could not install mobile units during COVID-19 because of a government agency contract delay triggered by unapproved fiscal budgets in the country. While highly unusual to have negative revenues in a quarter, we believe the company did the right thing to accept the returns and preserve long-term relationships. We suspect partially recovery of revenues during 2021 and 2022.

1Q21 Results

Sales growth of 77% was more robust than expected and partially helped by catch-up from the weak revenue quarter in 4Q20. Gross margin reached 43%, which was an impressive record high quarter.

Geographic expansion with high growth in the United States was notable. While the company still generated a negative adjusted EBITDA (-$291,000), it marked progress to narrowing the loss gap.

Balance Sheet (3/31/21)

Gross Debt $6.2 million
Cash & Cash Equivalents $9.7m
Net Debt -$3.5m (net cash)

Credit facility allows up to $750,000 CAD with $377,000 availability in December 2020. It is secured by AR's, inventory and the assets at Signifi Mobile.

Tax loss carryforwards of $4 million in the US & Canada would help minimize most taxes if income is generated in 2023.

Capital Structure

Convertible Debenture 12% at $5.28 million balance 3/31/21 matures on 12/23/21. If converted, it could could dilute shareholders with a higher share count. The company has the right to repay it at 101% of face value after December 23. We believe it might refinance the convertible. The company has issued several convertible debentures during the past four years.

Private Placements have occurred several times during the past few years including $13 million in December 2020 for the Phoenix Insurance Fund. The company did a non-brokered private placement financing with Accel Telecom in June 2020 and also issued warrants.

Warrants: 3.5m warrants outstanding 3/31/21 at $10.61 weighted average exercise price. Expiration occurs mostly in June 2024 & September 2025.

Siyata Mobile Israel has a factoring agreement on its trade receivables.

FORECASTS

The company does not provide quarterly or yearly guidance.

2Q21 Upcoming Results

Sales and Gross Margin will likely to be lower in 2Q21 than 1Q21 because of one customer's installation hiccup in cellular boosters in the United States. That installer partner was quickly replaced by Siyata Mobile, but likely led to an air pocket of revenues in 2Q. We expect a follow-on order from that customer (water company in Virginia) to occur in 2H21.

Gross margin in 2Q could be similar to the year-ago period, but below 1Q21 gross margin which benefited from catch-up volumes scale and did not have the one customer hiccup like 2Q21.

Our expectation is that 2Q will be its lowest sales quarter of this year and its lowest gross margin (33%). This allows for a good setup in 2H21 and should create a turning point of inflection.

We expect significant sequential topline acceleration in 3Q from 2Q based on contract wins and penetration of cellular boosters.

2021 Year

We forecast 142% sales growth to $14.5 million in 2021. A few million dollars of that growth is from catch-up from last year's decline caused by COVID-19 and delays with customer budgets. The majority of this year's growth will likely come from cellular signal boosters and the United States.

Gross margin could expand 1,180 bps to 38% with margin accretion from the United States & boosters.

2022 Year

We forecast 74% sales growth to $25 million in 2022. Topline growth should be driven by in-vehicle devices (UV350 & CP250) for first responders and school buses, cellar signal boosters growth and recovery of the Israel market. We forecast $1.5m of sales from the upcoming new rugged handset launch, but believe that will be 4Q-loaded and more of a contributor in 2023 after trials at customers.

Gross margin could expand 330 bps to 41.5% if enough benefit from operating leverage from scale on the company's Selling & Marketing expense.

Adjusted EBITDA & Free Cash Flow

We forecast adjusted EBITDA of $1 million in 2022 and $4 million in 2023. -$3 million loss in 2021.

No free cash flow is expected until 2023. The balance sheet is not stretched or in need of a sizeable capital raise unless a compelling acquisition comes along. The company is not CapEx-intensive, but might need to fund working capital growth as 2H21 & 2022 unfolds.

Current cash balance is adequate to pay the earnout for ClearRF acquisition in March 2022.

Income statement forecasts are further below.

VALUATION

We value Siyata Mobile using a peer comparables valuation methodology based on EV/Sales for 2022 estimates. We typically prefer EV/EBITDA, P/E & P/FCF multiples, but this company has not achieved positive adjusted EBITDA on an annual basis. We forecast slight positive adjusted EBITDA in 2022.

We reach $16 stock price per share by applying the peer group average of 2.9x EV/Sales 2022. Compared to SYTA trading at 1.2x our 2022 Sales estimate and 2.2x our 2021 estimate.

We used 4.8 million share count, which is likely to increase if warrants are exercised.

Net debt was -$3.5m (net cash) as of 3/31/21.

$16 price target compares to the stock trading between $30-85 from early 2017 to late 2019 after the news announcements of AT&T and FirstNet related to federal funding and SYTA's UV350 product. Also before the increase in shares outstanding count.

Peer Group Valuation Table

Company	Ticker	Price (7/26/21)	Market Cap (local FX)	EV (local FX)	Sales 2021E Consensus	Sales 2022E Consensus	EV/Sales 2021E	EV/Sales 2022E	EBITDA 2021E Consensus	EBITDA 2022E Consensus
Motorola Solutions	MSI	222.67	37,780	41,689	8,076	8,542	5.2x	4.9x	2,438	2,639
Kyocera Corporation	6971 JT	6795	2,566	2,270	1,694	1,766	1.3x	1.3x	231	260
Sonim Technologies	SONM	0.45	30	17	65	72	0.3x	0.2x	-22	-18
Inseego	INSG	8.48	874	985	257	314	3.8x	3.1x	-3	18
ComSovereign Holding	COMS	1.93	138	149	30	118	5.0x	1.3x	-11	35
Ooma	OOMA	18.05	419	402	187	204	2.1x	2.0x	11	15
Crimson Tide Plc	TIDE LN	3.10	20	20	4	5	5.0x	3.8x	-0.3	0.1
Trackdwise Designs PLC	TWD LN	182	52	41	9	22	4.6x	1.9x	0.9	4.5
Quartrix Technologies PLC	QTX LN	489	236	227	26	27	8.9x	8.3x	5.2	5.6
Audiocodes	AUDC	32	1,045	953	246	275	3.9x	3.5x	57	60
Digi International	DGII	20.12	685	554	307	332	1.8x	1.7x	48	54
Peer Average							**3.8x**	**2.9x**		
Siyata Mobile	SYTA	$7.21	$35	$31	14.5	25.2	2.2x	1.2x	-3.0	0.7

Source: Bloomberg Consensus & Zacks SCR
7/26/21 closing prices

RISKS

- If revenue growth does not materialize for 2022. We expect high growth, but that could be curtailed if land mobile radio or other competitive alternatives are more successful than the company's offerings. Public sector and enterprise customers could incur restrained budgets or a preference for a competitive product. Cellular signal boosters revenues could decline in 2022 or the UV350 product offering become adversely impacted by the federal budget support for FirstNet.
- Competition could increase for FirstNet such as with Verizon's attempt and for other areas such as with Samsung in Mission Critical Push-to-Talk. 5G adoption could be quicker than anticipated and the company would have to respond with an improved offering of its current 4G LTE products.
- Channel partners reliance for the majority of the company's revenues.
- History of operating losses and might not achieve profitability.
- Weaknesses for internal controls and financial reporting. Material weaknesses were previously identified in 2019 and 2020 for product returns, intercompany transactions, insufficient audit support for journal entry testing, receivables expected credit losses, obsolete inventory, share issuance costs versus transaction expenses. The company has partially remediated the weaknesses and taken steps to strengthen internal controls for financial reporting.
- Third Party Manufacturing Reliance. Manufacturing is predominantly done in China, which is subject to political risks, regulation changes and increased tariffs. Company does not own or operate its own manufacturing, which could cause a shortfall in supply and inventory. Defects or quality issues could hurt the company's reputation.
- Uniden license is renewed through December 2022 and no assurance that it will be extended.
- Intellectual Property infringement and protection challenges.
- Delay in reporting of financial results. The company delayed its 4Q20, 2020 year and 1Q21 results until June 30. This delay was caused by changing its functional currency to US Dollars from Canadian Dollars, restating prior periods in USD according to IFRS, converting prior years results to US Dollars, a complaint involving their Israeli accounting firm regarding auditing, hiring a fulltime CFO in Israel to prepare audited Israeli financials, complex accounting transactions including private placements and an acquisition. The British Columbia Securities Commission warned about a cease trade order in April 2021 due to failing to file certain financial and annual documents before the applicable deadline. That cease order was revoked on July 8 after filing occurred. The company also delayed 4Q19 & 2019 results due to COVID-19 by exercising the 45-day filing extension.
- Liquidity of stock shares. 32% of shares are held by institutional investors in Israel, which tend not to trade often. Accel Telecom and Phoenix Holdings, based in Israel, have shares and warrants.
- Dilution from Equity Raises, Private Placements & Warrants: warrants outstanding (SYTAW). The company might need to raise capital to support acquisitions and working capital growth, which would be dilutive to stock shareholders.
- Options Dilution: 428,568 stock options as of 3/31/21 at $14.24 weighted average exercise price.
- Related Party Financing & Transactions: $183,000 of payments in 2020 were related party transactions companies to companies controlled by the CEO, CFO, Directors and VP of Technology. Private placement with Accel Telecom for 10% convertible debentures occurred in June 2020 during COVID-19 uncertainty, but were fully redeemed in January 2021. $200,000 loan to a Director in April 2019 was repaid in May 2021.
- Executive Officers & Directors could exert significant control over stockholder matters.
- Capital Structure & Different Domiciles: incorporated in Canada with headquarters in Quebec, Canada. The CEO resides in Israel, where a significant portion of revenues occurred in years past.
- Bad Debt Provisions: two of its largest customers in 2020 requested extended payment terms during COVID-19. A few customers in the field did this and some inventory had to be written off. $1.53 million bad debt provision was taken in 2020. We do not anticipate additional bad debt to occur unless a large additional wave of COVID impacts the economy again and shutdowns.
- Impairments of inventory or intangible assets. Factoring and liens on trade receivables including subsidiaries in Israel and Signifi Mobile.
- Accounting practices can differ in Canada & Israel. IFRS and not GAAP standards. PCAOB auditor. Capitalization of development costs, collectability of trades receivables and impairment of assets.
- Currency volatility with revenues derived from several countries. US Dollar is functional currency.

MANAGEMENT TEAM

Marc Seelendfreund – Chief Executive Officer/President/Co-Founder
Founder and CEO since 2015 and heavily involved with it since 2012. Prior to establishing Siyata Mobile, Mr. Seelenfreund was the founder of Siyata's original parent company, Accel Telecom, an Israel-based company that imports and distributes innovative cellular and IP devices to fixed line operators and mobile providers within Israel. Prior to that role, he was a VP at Sunrise Corporation in New York focusing on financing publicly traded technology companies. Mr. Seelenfreund has a law degree, is a board member at a leading private university and served as an officer in the Israel Defense Forces.

Gerald Bernstein – Chief Financial Officer
Mr. Bernstein joined the company as CFO in July 2016. He spent 20 years focusing on private equity financing and tax efficient corporate structuring in multi-jurisdictional arenas. Mr. Bernstein holds a Bachelor of Commerce as well as a Graduate Diploma in Public Accountancy- both from McGill University. Member of the Canadian Institute of Chartered Accountants since 1987 and a professional chartered accountant.

Glenn Kennedy – Vice President of Sales North America
Mr. Kennedy joined the company as VP of Sales North American in January 2017. He has over 25 years of sales experience in the telecommunications industry. Prior to joining Siyata in 2016, Mr. Kennedy has managed sales nationally for Motorola Canada, HTC Communications Canada and Sonim Technologies. Mr. Kennedy holds a Bachelor of Arts in Honors Business Administration from the Richard Ivey School of Business at the University of Western Ontario.

Gidi Bracha – Vice President of Technology & Product Development
Mr. Bracha has been the VP of Technology & Product Development since 2015 and dating back to 2011 during his time at Accel Telecom. He spearheaded the development of both the Truckfone, Voyager and UV350. Prior to joining Siyata Mobile and Accel Telecom, he served in various key positions at Cellcom, Israel's leading cellular provider, including head of car mobility products and director of type approvals. Mr. Bracha served as an engineer technician in the Anti-Aircraft division of the Air Force in the Israel Defense Forces and holds a bachelor's degree in engineering and business management from the University of Derby.

Peter Goldstein – Chairman of the Board
Over 30 years of diverse and global entrepreneurial, client advisory and fund-raising experience; serving as investment banker, director, CEO, founder and advisor to public, private and emerging growth companies. Experienced in strategic planning, M&A and transaction structuring, as well as his own entrepreneurial success. He has steered and completed IPOs, secured private placements and designed crowdfunding campaigns.

Daniel Kim – Vice President of Corporate Development & Investor Relations
Mr. Kim has been the VP of Corporate Development and supports Investor Relations since joining the company in July 2020. Prior to joining Siyata Mobile, he was the VP of Corporate Development at Baylin Technologies. Prior to that role, he was a sellside equity research analyst covering Technology stocks for 20 years.

Insiders and affiliated entities own approximately 14% of common shares (as of 6/30/21) and a higher percentage including the potential impact from warrants ownership.

INCOME STATEMENT FORECASTS

(Millions US Dollars, December Year-End)	2018	2019	1Q20	2Q20*	3Q20*	4Q20**	2020	1Q21	2Q21E	3Q21E	4Q21E	2021E	1Q22E	2Q22E	3Q22E	4Q22E	2022E	2023E
Revenues	**11.0**	**9.8**	**2.3**	**2.1**	**2.3**	**(0.7)**	**6.0**	**4.0**	**2.6**	**4.3**	**3.6**	**14.5**	**4.4**	**5.5**	**9.2**	**6.1**	**25.2**	**35.2**
% change (yoy)		-11%					-39%	77%	22%	90%	NM	142%	10%	110%	115%	73%	74%	39%
Cost of Sales	9.4	7.1	1.5	1.4	1.5	(0.1)	4.4	2.3	1.8	2.6	2.3	8.9	2.6	3.2	5.3	3.6	14.7	20.2
Gross Profit	1.6	2.7	0.7	0.7	0.7	(0.6)	1.6	1.7	0.8	1.7	1.2	5.5	1.8	2.3	3.9	2.5	10.5	15.0
Gross Profit Margin	**14.5%**	**27.4%**	**32.4%**	**33.0%**	**32.1%**	**NM**	**26.4%**	**43.2%**	**32.0%**	**40.0%**	**35.0%**	**38.2%**	**41.0%**	**41.6%**	**42.2%**	**40.9%**	**41.5%**	**42.6%**
Depreciation & Amortization	0.5	1.2	0.3	0.3	0.3	0.3	1.3	0.3	0.4	0.4	0.4	1.4	0.4	0.4	0.4	0.4	1.4	1.5
Research & Development	0.0	0.8	0.0	0.0	0.0	0.6	0.6	0.0	0.0	0.0	0.5	0.5	0.0	0.0	0.0	0.5	0.5	0.5
Selling & Marketing	4.2	3.6	0.8	0.8	1.0	1.1	3.7	1.0	0.9	1.4	1.2	4.5	1.2	1.2	2.0	1.3	5.8	6.7
General & Admin (incl consulting, acquis	2.3	2.3	0.4	0.5	0.6	1.4	2.9	1.1	0.8	0.8	0.9	3.6	0.9	0.9	0.9	1.0	3.6	3.9
Bad Debts Expense	0.0	0.0	0.0	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory Impairment Expense	0.0	0.2	0.0	0.0	0.0	1.6	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Impairment (Intangible Assets)	1.5	0.1	0.0	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share-based Compensation	0.9	1.1	0.1	0.1	0.0	0.3	0.5	0.6	0.2	0.2	0.3	1.3	0.4	0.3	0.3	0.4	1.4	1.5
Total Operating Expenses	**9.4**	**9.3**	**1.6**	**1.6**	**2.0**	**7.1**	**12.3**	**2.9**	**2.3**	**2.8**	**3.2**	**11.2**	**2.8**	**2.7**	**3.5**	**3.6**	**12.6**	**14.1**
% change (yoy)		-1%					33%	82%	41%	41%	-55%	-9%	-5%	19%	26%	12%	12%	12%
Operating Income (Loss)	**(7.8)**	**(6.6)**	**(0.9)**	**(0.9)**	**(1.3)**	**(7.7)**	**(10.7)**	**(1.2)**	**(1.4)**	**(1.1)**	**(2.0)**	**(5.7)**	**(1.0)**	**(0.4)**	**0.4**	**(1.1)**	**(2.1)**	**0.9**
Finance & Interest Expense	0.8	1.0	0.4	0.5	0.5	0.3	1.7	0.4	0.5	0.5	0.5	1.7	0.5	0.5	0.5	0.5	1.8	1.8
Foreign Exchange Expense	(0.0)	0.1	(0.1)	(0.8)	0.1	0.5	(0.3)	0.4	0.6	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Transaction Costs (Nasdaq listing & IPO)	0.0	0.0	0.0	0.0	0.0	1.4	1.4	0.1	0.1	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Change in Value of Acquisition Earnouts	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expenses (non-Operating)	1.1	1.1	0.3	(0.3)	0.6	2.3	2.9	0.9	1.2	0.6	0.5	3.1	0.5	0.5	0.5	0.5	1.8	1.8
Income before Taxes	**(8.9)**	**(7.7)**	**(1.2)**	**(0.6)**	**(1.9)**	**(9.9)**	**(13.6)**	**(2.1)**	**(2.6)**	**(1.6)**	**(2.4)**	**(8.8)**	**(1.4)**	**(0.9)**	**(0.1)**	**(1.5)**	**(3.9)**	**(0.9)**
Income Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income (Loss) reported	**(8.9)**	**(7.7)**	**(1.2)**	**(0.6)**	**(1.9)**	**(9.9)**	**(13.6)**	**(2.1)**	**(2.6)**	**(1.6)**	**(2.4)**	**(8.8)**	**(1.4)**	**(0.9)**	**(0.1)**	**(1.5)**	**(3.9)**	**(0.9)**
Net Income (Loss) Adjusted (Non-IFRS, I	**(7.4)**	**(7.5)**	**(1.2)**	**(0.6)**	**(1.9)**	**(8.1)**	**(11.8)**	**(2.1)**	**(2.6)**	**(1.6)**	**(2.4)**	**(8.8)**	**(1.4)**	**(0.9)**	**(0.1)**	**(1.5)**	**(3.9)**	**(0.9)**
Net Income (Loss) Adjusted (excl stock	**(6.5)**	**(6.4)**	**(1.1)**	**(0.6)**	**(1.8)**	**(7.8)**	**(11.2)**	**(1.5)**	**(2.4)**	**(1.4)**	**(2.1)**	**(7.5)**	**(1.0)**	**(0.6)**	**0.2**	**(1.1)**	**(2.5)**	**0.6**
Diluted Shares (weighted average)	0.7	0.8	0.9	0.9	1.0	3.2	1.5	4.7	4.8	4.9	5.0	4.9	5.1	5.1	5.1	5.1	5.1	5.2
EPS (reported)	**$(13.53)**	**$(9.48)**					**$(9.15)**	**$(0.45)**	**$(0.54)**	**$(0.33)**	**$(0.48)**	**$(1.80)**	**$(0.28)**	**$(0.17)**	**$(0.02)**	**$(0.30)**	**$(0.78)**	**$(0.18)**
EPS Adjusted (Non-IFRS, Non-GAAP)	**$(11.23)**	**$(9.34)**					**$(7.92)**	**$(0.45)**	**$(0.54)**	**$(0.33)**	**$(0.48)**	**$(1.80)**	**$(0.28)**	**$(0.17)**	**$(0.02)**	**$(0.30)**	**$(0.78)**	**$(0.18)**
EPS Adjusted (excl stock comp)	**$ (9.94)**	**$(7.95)**					**$(7.58)**	**$(0.32)**	**$(0.50)**	**$(0.29)**	**$(0.42)**	**$(1.53)**	**$(0.20)**	**$(0.11)**	**$ 0.04**	**$(0.22)**	**$(0.50)**	**$ 0.11**
EBITDA (reported)	**(7.2)**	**(5.4)**	**(0.6)**	**(0.6)**	**(0.9)**	**(7.4)**	**(9.4)**	**(0.9)**	**(1.1)**	**(0.7)**	**(1.6)**	**(4.3)**	**(0.6)**	**(0.1)**	**0.7**	**(0.7)**	**(0.7)**	**2.4**
Adjusted EBITDA (Non-IFRS, Non-GAAP)	**(5.7)**	**(5.3)**	**(0.6)**	**(0.6)**	**(0.9)**	**(5.5)**	**(7.6)**	**(0.9)**	**(1.1)**	**(0.7)**	**(1.6)**	**(4.3)**	**(0.6)**	**(0.1)**	**0.7**	**(0.7)**	**(0.7)**	**2.4**
Adjusted EBITDA (excl stock comp)	**(4.9)**	**(4.2)**	**(0.5)**	**(0.5)**	**(0.9)**	**(5.2)**	**(7.1)**	**(0.3)**	**(0.9)**	**(0.5)**	**(1.3)**	**(3.0)**	**(0.2)**	**0.2**	**1.0**	**(0.3)**	**0.7**	**3.9**
Margins:																		
Gross Margin	14.5%	27.4%	32.4%	33.0%	32.1%	NM	26.4%	43.2%	32.0%	40.0%	35.0%	38.2%	41.0%	41.6%	42.2%	40.9%	41.5%	42.6%
EBITDA Margin Adjusted (excl one-offs &	**-44.4%**	**-42.4%**	**-20.2%**	**-25.4%**	**-39.0%**	**NM**	**-118.6%**	**-7.2%**	**-34.1%**	**-12.5%**	**-37.4%**	**-21.0%**	**-5.2%**	**4.0%**	**11.0%**	**-5.6%**	**2.6%**	**11.0%**
EBITDA Margin (reported)	-65.9%	-55.0%	-24.3%	-28.3%	-41.0%	NM	-157.6%	-21.9%	-41.8%	-17.1%	-45.9%	-30.0%	-14.2%	-1.5%	7.7%	-12.1%	-2.9%	6.7%
OpEx % of Sales	85%	94%	71%	76%	88%	NM	205%	73%	87%	65%	91%	78%	63%	49%	38%	59%	50%	40%
Selling & Marketing % of Sales	38%	36%	35%	35%	45%	NM	62%	24%	35%	34%	33%	31%	27%	22%	22%	22%	23%	19%
General & Admin % of Sales	21%	24%	18%	23%	26%	NM	48%	26%	31%	19%	25%	25%	19%	16%	9%	16%	14%	11%

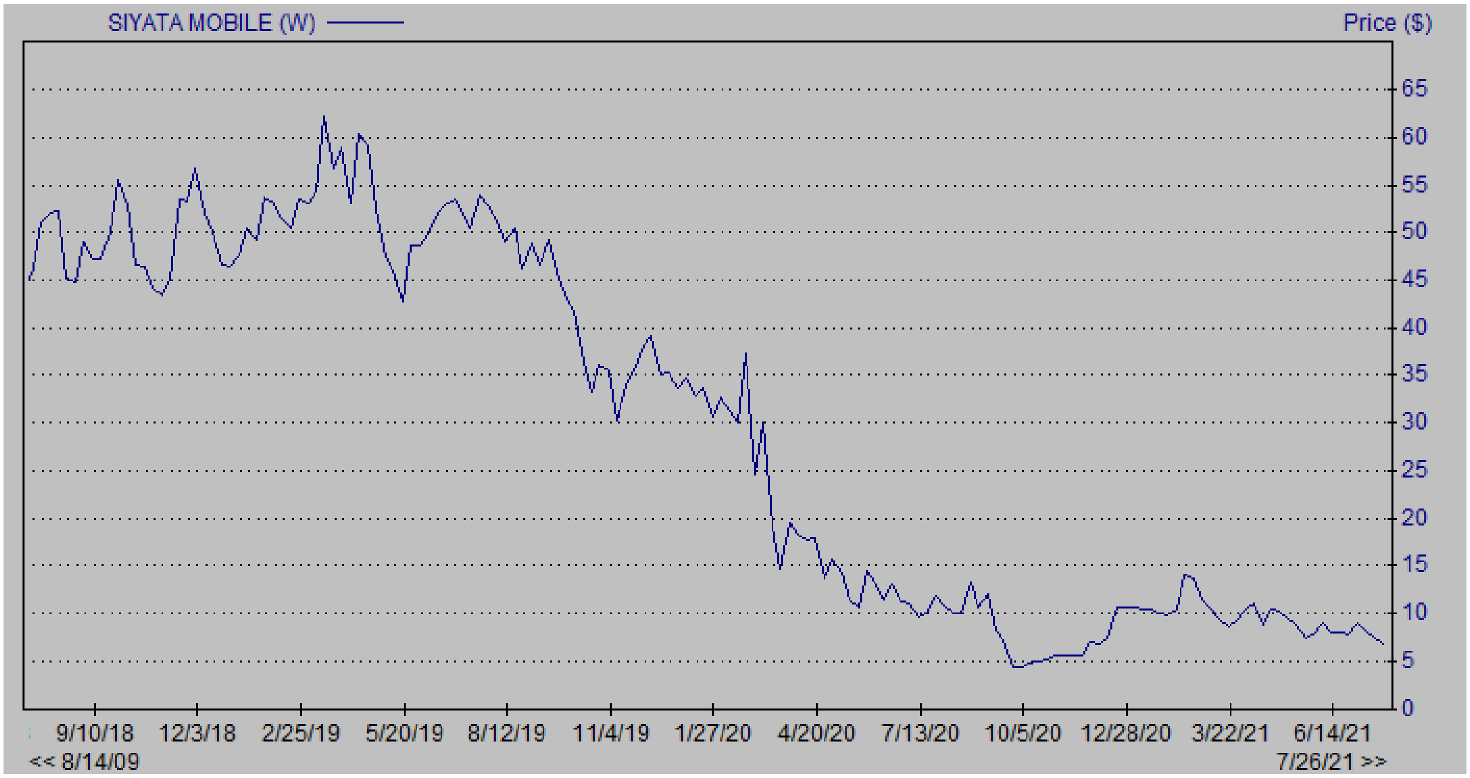
*2Q20, 3Q20, 4Q20 were restated for currency translation from CAD to USD. Not exact numbers. Exact figures to be released by company during upcoming earnings releases

**4Q20 revenues were negative due to a large customer refund in Israel caused by COVID-19 budget constraints. Those returns created COGS inflow. Stock split, options and warrants September 2020 for Nasdac

Source: Zacks Investment Research, Inc. Tim Moore, CFA

Company previously reported in Canadian Dollars. Recently restated to US Dollars as functional currency for 2020, 2019, 2018

HISTORICAL STOCK PRICE



Source: Zacks SCR

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