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Mobilicom Ltd.

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An Emerging Defense-Tech Leader at the Heart of the Drone Revolution

Analyst: Barry M. Sine, CFA, CMT

- Mobilicom Ltd. is a high-margin, under-the-radar provider of mission-critical drone software, hardware, and services. Headquartered in Israel, the company is rapidly ramping up visibility with U.S. investors — presenting at a major San Francisco conference in September, and we expect it to transition to a full NASDAQ listing versus its prior Australian listing and U.S. ADS. This "undiscovered" story may not stay that way for long.

- The global small unmanned aerial vehicle (SUAV) market is pegged at a $5.4B TAM — but real-world demand is poised to dwarf that figure. Russia is reportedly producing over five million drones annually. A U.S./NATO response at just $5,000 per drone implies $25B in potential spend, excluding conflict zones in the Middle East and Asia. The Pentagon has ordered every branch to stand up dedicated drone formations by September 1, with drone integration mandated across training by 2026. Drones are now treated as ammunition — a category where the U.S. has historically purchased 1.5B rounds per year. This paradigm shift suggests a TAM that could grow exponentially, not incrementally.

- Mobilicom is exceptionally well-positioned. It offers three software platforms and three hardware products — including controllers, communications radios, and a breakthrough mesh networking module that enables coordinated drone swarms. Crucially, Mobilicom is one of only five companies with its radios approved under the Pentagon's Blue UAS Framework, which restricts drone components from hostile nations. It also offers integration and support services.

- Based on information from Breaking Defense News and other sources, we believe that the company's SkyHopper Pro communication module is already integrated into Teledyne's (NYSE: TDY) drones for U.S. special forces. With six additional programs of record under proposal, Mobilicom could secure entrenched, decades-long revenue streams. In Israel, all three major defense contractors — IAI, Elbit, and Rafael — are customers, with Airbus in Europe and Singapore Technologies in Asia also on board.

- Financially, Mobilicom is scaling fast: 1H revenue of $1.5M with $1.6M in backlog already outpaces last year's $3.2M run rate. Gross margins stand at ~60%, and with software sales at an 80–90% gross margin becoming a larger portion of revenue, the gross margin should expand further. The company is not yet profitable, but with $8.7M cash on hand, a strong backlog, and operating leverage kicking in, we believe that profitability is within sight.

- Bottom line: We believe that Mobilicom sits at the nexus of a defense-tech supercycle. With its unique Pentagon-approved technology, growing blue-chip customer base, and surging global demand for drones, we believe that the company is positioned for a breakout that could make today's valuation look like an anomaly.

Company description: Mobilicom Ltd. is an Israeli drone technology company with an array of hardware and software products, as well as support and integration services. It has supplier relationships with some of the major drone defense contractors in the United States, Europe, and Asia, and all three of the major Israeli defense contractors.

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