

Mobilicom Ltd.

NASDAQ – MOB

May 1, 2026

Warfighter Drone Demand Suggests Massive Upside for Mobilicom

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- **Mobilicom secures \$2.2 million Tier-1 order** — third award on the same program
- Cumulative visible orders from this customer now exceed \$3.9 million under the \$249M OPF-L Program of Record.
- SkyHopper SDR technology significantly outperforms conventional WiFi-based solutions
- Proven resilient against Russian, Chinese, North Korean, and Iranian jamming in real-world combat testing.
- One of only four foreign manufacturers granted FCC Buy-American exemption through 2026
- Covers full SkyHopper Series, new M-Band, Tactical Data Link, Controllers, ICE, and OS3 software suite.
- Visible production orders are accelerating rapidly, with multiple major U.S. programs ramping.
- On track for \$10 million revenue this year and \$25 million next year with expanding margins
- \$19 million cash, zero debt, cancelled ATM program, and very low dilution risk.
- Reiterate Buy rating and \$12 price target — tracking significantly ahead of our original expectations.

Rating	Buy	Earnings Share	Normalized to exclude unusual items			
Target Price	\$12.00	FYE - December	2024	2025	2026E	2027E
Ticker Symbol	MOB					
Market	NASDAQ	1H - June	(\$0.40)	\$0.01		
Stock Price	\$5.94	2H Dec.	(\$0.92)	(\$2.68)		
52 wk High	\$11.02	Year	(\$1.32)	(\$2.68)	(\$0.05)	\$0.65
52 wk Low	\$1.52	Revenue (\$mm)	3.2	3.4	10.0	25.0
Fully Diluted Shares Outstanding:	15.0 M	FD EV/Rev	17.6X	16.6X	5.6X	2.2X
Public Market Float:	14.3 M	EBITDA (\$mm)	(3.4)	(4.0)	0.2	8.8
Avg. Daily Volume	325,136	EV/EBITDA	NM	NM	NM	6.3X
Fully Diluted Market Capitalization:	\$89.1 M					
Institutional Holdings:	49.9%					
Dividend Yield:	0.0%					

Risks/Valuation

- **Risk Factors:** Mobilicom provides highly secure military equipment to the U.S. and Israeli militaries as its end customers. As such, it is a target of the most prominent government and terrorist organization cyberattacks. However, cybersecurity is the company's business, and they have a proven track record. Another risk factor is that they may not be selected to provide their products to the major UAS programs for which they are competing.
- **Valuation:** We value MOB shares on a multiple of revenue using the average revenue multiple of a large group of comparable companies.

Company description: Mobilicom Ltd. is an Israeli drone technology company offering a range 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, the Middle East, and Asia, and all three of the major Israeli defense contractors.



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We recently spoke with the CEO of Mobilicom to get an update on the company's progress. The company recently announced a major \$2.2 million order from a Tier 1 customer as production ramps. Management also updated us on progress against the detailed milestones it outlined during its 1Q 2026 earnings call.

This latest \$2.2 million purchase order is the third such award on the same program, following an initial \$200,000 order and a subsequent \$1.55 million order announced in September 2025. Cumulative visible orders from this single customer now exceed \$3.95 million under the U.S. Marine Corps' \$249 million OPF-L Program of Record. We expect the most recent contract to be fully shipped by the end of 3Q 2026, with the potential for an even larger order announcement by that time.

Management noted that some military drone programs continue to rely on consumer-grade Wi-Fi communications chips, often utilizing 4th-generation technology, introduced in 2009, rather than current 7th-generation standards. This was acceptable in the early stages of these programs when the Pentagon needed to get drones into the hands of training units. However, we believe this technology is too easily jammed or, worse, hacked in a battlefield environment, whereas Mobilicom's technology has passed U.S. Army tests and has operated successfully in combat against Russian, Chinese, North Korean, and Iranian anti-drone technology.

As shown in the official Defense Innovation Unit's Blue UAS Framework list, Doodle Labs and Microhard are explicitly labeled WiFi-based, while Mobilicom's SkyHopper and Silvus Technologies are classified as true software-defined radios. This distinction is critical as programs transition from training units to operational/combat deployments, where jamming and hacking are real threats and consumer grade wifi is not designed to stand up to these battlefield threats.

The company is actively seeking to replace Wi-Fi-based vendors and the CEO will be meeting with numerous UAS CEOs at upcoming conferences. Its closest competitor from a technology standpoint is Silvus Technologies, which was acquired by Motorola Solutions for approximately \$5 billion in 2025. By contrast, Mobilicom's market capitalization is approximately \$90 million. It is our understanding that Silvus' pricing is triple that of Mobilicom.

Mobilicom received a notable vote of confidence from the Federal Communications Commission. In March 2026, Mobilicom became one of only four foreign component manufacturers (and the only one with multiple product categories approved) granted a conditional exemption from the DoW Covered List / Buy-American rules through December 31, 2026. The exemption covers the full SkyHopper Series, M-Band (new multiband variant), Tactical Data Link, Controllers, ICE, and OS3 software suite. Mobilicom is a design-focused company and outsources production to contract manufacturers in Israel. Some of this production is planned to be moved to U.S. contract manufacturers by year end, before the exemptions expire.

Management highlighted two important new offerings: the recently launched SkyHopper MultiBand (M-Band), which provides one of the widest continuous frequency ranges (1.275–2.65 GHz) in a single SDR for superior anti-jamming performance, and the Tactical Data Link, which has not yet been publicly announced by the company but is already included in the FCC exemption.



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The following table lists the milestones Mobilicom announced to investors for 2026 in its 1Q earnings call:

	2025 Achieved	2026 Goals
Tier 1 customer design wins/R&D	2	3 - 4
Tier 1 customer initial production	4	3 - 4
Tier 1 customer ramp up	0	2
	6	8 - 10
AI Autonomy Computing OEM Partners	2 NVIDIA based	2 - 6 NVIDIA and QUALCOMM based
Autonomy software partners		2

Source: Company reports

The company has already announced design wins for smaller customers in the EU, UAE, India, and Asia. While guidance calls for Tier 1 design wins, these engagements should generate additional incremental revenue. The company is also well along in meeting its other goals, and we expect a new Tier 1 customer to be announced soon.

A key point of our discussion, which we have also observed across the industry, is that orders announced to date are only a minuscule portion of what the President and Secretary of Defense have outlined. Mobilicom's main customer is supplying drones for the U.S. Marine Corps Organic Precision Fires – Light program. To date, two companies have received orders totaling \$85 million, with a contract ceiling of \$249 million, suggesting significantly more orders for Mobilicom beyond the \$3.395 million already announced. Our rough math suggests an additional approximately \$7 million in orders from this customer and program alone.

We also see multiple further avenues for upside. As noted, vendors on this contract are using consumer Wi-Fi-based communications modules for some shipments instead of Mobilicom's more robust SkyHopper modules, and we believe the Pentagon will push for a change as production expands beyond training units to operational deployments where cybersecurity is critical. Mobilicom could therefore take share within this program for its existing customer.

There are also procurements planned for both the United States Special Operations Command and the United States Army. The SOCOM program is called the Ground Organic Precision Strike System. The U.S. Army has a comparable program that is expected to be much larger than the Marine Corps or Special



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Forces programs due to its scale. We believe that vendors who won contracts under the Marine Corps OPF-L program, for which Mobilicom is a supplier, are well-positioned to win orders for these additional programs as systems are deployed and validated, reducing execution risk. In this case, Mobilicom could win considerably more orders.

Even with all this activity, the Pentagon is still ordering only thousands of drones, whereas Russia, driven by its war in Ukraine, is producing millions of drones annually, including Shahed, Geran, Lancet, and low-cost FPV drones. China's drone production is several times larger still, with commercial manufacturers such as DJI dominating the global market with approximately 80 percent share. So the Pentagon has a long way to go just to keep pace with Russia, and the Chinese drone capability is much larger.

As a result, we expect Mobilicom revenue to grow exponentially in the coming years. Our estimates are for revenue of \$10 million this year and \$25 million next year. The key risk factor we see is that the Pentagon orders are far behind their rhetoric; their orders are far behind the Russians, and even further behind the Chinese.

Mobilicom has said to look for profitability around the \$12 million annual revenue mark, which is consistent with our forecasts. It currently has \$19 million in cash, no debt, and warrants which, if exercised, would bring in another \$14 million in cash. So, we see numerous catalysts and very little dilution risk. We note that management has cancelled its former ATM program as the company does not need the cash, and it doesn't want to dilute shareholders.

We reiterate our Buy rating and \$12 price target. Mobilicom is tracking better than we expected when we first launched coverage last September.



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Mobilicom Ltd. Income Forecast

Fiscal years ended December 31	2022	2023	2024	2025		2026E	2027E	
				1H	2H	YEAR		
Revenue	1,616,612	2,193,791	3,180,565	1,450,561	1,912,977	3,363,538	10,000,000	25,000,000
Year-over-year growth	-35.0%	35.7%	45.0%	-10.3%	-12.8%	5.8%	197.3%	150.0%
Total cost of revenue	610,012	902,006	1,348,711	653,381	921,676	1,575,057	3,800,000	8,750,000
As a percent of revenue	37.7%	41.1%	42.4%	45.0%	48.2%	46.8%	38.0%	35.0%
Gross margin	1,006,600	1,291,785	1,831,854	797,180	991,301	1,788,481	6,200,000	16,250,000
As a percent of revenue	62.3%	58.9%	57.6%	55.0%	51.8%	53.2%	62.0%	65.0%
Selling and marketing	1,738,918	2,088,200	1,965,426	903,353	2,424,143	3,327,496	2,358,511	2,830,213
As a percent of revenue	107.6%	95.2%	61.8%	62.3%	126.7%	98.9%	23.6%	11.3%
Research and development	1,773,245	1,936,802	2,127,409	1,274,687	3,393,433	4,668,120	2,552,891	3,063,469
As a percent of revenue	109.7%	88.3%	66.9%	87.9%	177.4%	138.8%	25.5%	12.3%
General and administrative	1,869,389	2,256,408	1,970,849	1,150,596	2,733,635	3,884,231	2,365,019	2,838,023
As a percent of revenue	115.6%	102.9%	62.0%	79.3%	142.9%	115.5%	23.7%	11.4%
Operating Income	(4,374,952)	(4,989,625)	(4,231,830)	(2,531,456)	(7,559,910)	(10,091,366)	(1,076,421)	7,518,295
Operating margin	-270.6%	-227.4%	-133.1%	-174.5%	-395.2%	-300.0%	-10.8%	30.1%
Government grants	641,233	197,041	187,718	101,493	(330,403)	(228,910)	200,000	200,000
Interest received	117,296	293,478	269,771	269,771	156,078	264,132	250,000	250,000
Foreign exchange	848,575	359,218	203,593	(49,114)	(870,670)	(919,784)	-	-
Fair value gains from financial liability	2,550,563	-	-	2,517,148	(15,331,634)	(12,814,486)	-	-
Finance costs	(10,217)	(14,734)	(27,052)	(90,258)	80,962	(9,296)	(30,000)	(30,000)
Fair value loss from financial liability	-	(330,209)	(4,251,756)	-	-	-	-	-
Pretax Income	(227,502)	(4,484,831)	(7,849,556)	55,867	(23,855,577)	(23,799,710)	(656,421)	7,938,295
Pretax income								
Taxes	9,716	80,923	160,802	23,120	(97,880)	(74,760)	-	-
Tax rate	-4.3%	-1.8%	-2.0%	41.4%	0.4%	0.3%	0.0%	0.0%
Net income to common	(237,218)	(4,565,754)	(8,010,358)	32,747	(23,767,697)	(23,724,950)	(656,421)	7,938,295
Net income margin	-14.7%	-208.1%	-251.9%	2.3%	-1241.9%	-705.4%	-6.6%	31.8%
Diluted shares outstanding	2,415,123	4,829,644	6,076,046	8,850,959	8,850,959	8,850,959	12,200,000	12,300,000
Seq change	-	2,414,521	1,246,402	2,774,913	-	-	3,349,041	100,000
EPS diluted - continuing	(\$0.10)	(\$0.95)	(\$1.32)	\$0.00	(\$2.68)	(\$2.68)	(\$0.05)	\$0.65
EBITDA								
Operating income	(4,374,952)	(4,989,625)	(4,231,830)	(2,531,456)	(7,559,910)	(10,091,366)	(1,076,421)	7,518,295
Addback:								
Depreciation and amortization	217,985	233,984	252,524	124,393	124,587	248,980	275,000	300,000
Share-based compensation	189,499	610,303	610,395	541,197	5,319,779	5,860,976	1,000,000	1,000,000
Other	-	-	-	-	-	-	-	-
EBITDA	(3,967,468)	(4,145,338)	(3,368,911)	(1,865,866)	(2,115,544)	(3,981,410)	198,579	8,818,295
Capital expenditures	3,152	12,760	26,926	13,565	23,042	36,607	50,000	60,000
Free cash flow	(3,970,620)	(4,158,098)	(3,395,837)	(1,879,431)	(2,138,586)	(4,018,017)	148,579	8,758,295

Source: Company reports and Litchfield Hills Research



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