

EQUITY RESEARCH | INITIATION OF COVERAGE | FOR INFORMATION ONLY

INITIATION OF COVERAGE

MOBILICOM LIMITED

NASDAQ: MOB | CUSIP: 60742B102

RATING	PRICE TARGET	CURRENT PRICE	UPSIDE
BUY	\$7.75	\$6.50	18%

*A small Israeli company has quietly become the brain inside
America's next generation of military drones.*

Metric	Value	Metric	Value
Market Cap (FD)	\$82M	52 Week Range	\$1.55 to \$10.20
Enterprise Value	\$75M	Avg Daily Volume (20 days)	304K shares
Shares Out (Mar 2026)	12.6M	Float	12.0M shares
FY2025A Revenue	\$3.4M (+7%)	FY2024A Revenue	\$3.2M
FY2026E Revenue	\$8.4M (+150%)	Hardware Gross Margin	53%
Cash (Dec 31, 2025)	\$19.1M	Debt	Zero
Monthly Cash Burn	\$159K (lowest ever)	DoW Program of Record	\$250M, 5 Years

Summary:

We're initiating coverage of Mobilicom Ltd. as part of our equity research program that provides exposure to undercovered Israel-domiciled companies for our North American investors.

Mobilicom sells cybersecure hardened data links, ground control terminals, mesh networking gear and, increasingly, cybersecurity software to the Tier 1 OEMs who manufacture drones purchased by the US Department of War. We've been following the company since November 2025 and have published this report now because of commercial, capital structure and market related updates.

Using three valuation methods (DCF, Peer Comparison and Transaction Comparison) we arrive at a blended 12-month equity value of \$7.75. While there are material long-term risks to the company's operations, we view the short-term outlook positively and believe these risks are mitigated by a number of key factors.

1. Executive Summary

What this company actually does

Picture a small drone flying over a contested battlefield. Now picture an enemy trying to jam its radio, hijack its video feed, or feed it false GPS coordinates to make it crash. The hardware that keeps that drone connected, secure, and alive belongs to a handful of companies in the world. Mobilicom is one of them.

The company sells ground control terminals, mesh networking gear, and cybersecurity software to the firms who build military drones. It does not build the drones themselves. Think of it as the modem and the antivirus inside someone else's product. That distinction matters because once a Tier 1 defense manufacturer designs Mobilicom's parts into a platform, those parts tend to stay there for the life of the program. Sometimes ten years. Sometimes longer.

The two co-founders, Oren and Yossi, started the business in 2007. Both came out of elite Israeli military technology units. They figured drones would matter to militaries long before anyone else did. The company went public on NASDAQ in 2022 and was dual listed on the Australian Securities Exchange until October 2023. R&D sits in Shoham, Israel. Sales offices operate in Palo Alto, California and Israel. Most of the revenue now comes from the US and global defense market.

Why we're writing this update now

We've been tracking the company since late November, 2025 and the reason why we're initiating coverage is that three material events have changed the story late last year and into 2026.

First, the Program of Record. A Tier 1 customer of Mobilicom won a five-year, roughly \$250 million contract with the US Department of War. For this customer, Mobilicom is the embedded radio and electronic warfare software supplier on their platform. This is not a design slot. This is an actual contract with actual money flowing through it. Investors have waited four years for a moment like this. It arrived.

Second, the cap table got cleaned up. Until Q4 of last year, NASDAQ traded shares were ADS and non-traditional common shares. The company executed a 1 for 275 reverse share split in December 2025 such that the ADS to ordinary share ratio changed from 275:1 to 1:1. As a result, the ugly multi-tiered structure is gone. As of March 22, 2026, there were 12,633,371 ordinary shares outstanding. Cash grew 120% during the year to \$19.1 million, mostly from warrant exercises and the at-the-money share sale (at \$8.55) that pulled in \$12.4 million. Monthly cash burn dropped to \$159K, the lowest in company history.

Third, a real institution showed up. Wexford Capital LP, the multi-billion dollar Connecticut hedge fund founded by Charles Davidson and Joseph Jacobs, filed a Schedule 13G on April 8, 2026 disclosing a 5.27% stake. That is 666,376 shares. Wexford does not chase microcaps for fun. Their presence here means somebody with real research staff and real capital looked at this story and decided to buy a meaningful piece of it.

The investment thesis in plain terms

Buy MOB. Our twelve month price target of \$7.75. From the current price near \$6.50, that implies roughly 18% upside. We rate the stock BUY.

Here is the short version of why. Mobilicom spent a decade building radios that must work when an enemy is actively trying to break them. That is a very different design problem than building radios for hobbyists. The Pentagon now wants thousands of drones every year and has banned Chinese parts through the American Security Drone Act (“ASDA”), which took effect December 22, 2025. So suddenly a small Israeli supplier with a Blue UAS certification and a confirmed Program of Record is exactly the kind of vendor every American drone manufacturer needs. The runway is long, the cash is plentiful, the customer pipeline is real, and the optionality on a defense prime acquiring the company someday is nontrivial.

And the price you pay today is roughly 7.4x next year's revenue. The peer group trades closer to 10x. That gap is the opportunity.

Why we like Mobilicom's commercial opportunities

- **The Program of Record.** A five year, \$250 million contract with the US Department of War flows through one of Mobilicom's embedded customer platforms. This single event derisks years of revenue forecasts and turns a speculative design win story into a contracted execution story.
- **The American Security Drone Act** tailwind. ASDA blocks federal agencies from buying drones that contain foreign adversary technology. Combined with Executive Order 14307 on supply chain integrity and the Pentagon's Blue UAS framework, the regulatory environment favors Mobilicom over cheaper Chinese options. The market got bigger & the competition got smaller.
- **Strategic inventory and a US manufacturing plan.** Lead times for the microcontrollers and RF parts that go into these radios run 16 to 24 weeks. Management used the cash hoard to pre buy critical components ahead of the Program of Record ramp. They also announced plans to set up US assembly, partly to satisfy ASDA domestic content rules and partly to position for the long term Pentagon vision of a million drones a year.
- **Software is starting to inflect.** The OS3 cybersecurity platform passed compliance with the Pentagon's new Cybersecurity Risk Management Construct (CSRMC). New partnerships with Aitech and ARK Electronics put OS3 inside NVIDIA powered AI compute modules. A separate deal with Palladyne AI, a \$350 million market cap autonomy software company, embeds the platform in their stack. **Software margins run 80% plus.** The mix shift will eventually do magical things to gross margin and eventual profitability.
- A clean cap table for the first time. The reverse split closed the ADS chapter. January 2024 warrants were exercised and brought in \$1.6 million and one-third of \$5.00 strike IPO warrants were exercised in 2025, leaving another 2.4 million warrants outstanding (trading at ticker MOBWW). Currently, there are roughly 12.6 million ordinary shares outstanding, no debt, \$19.1 million in cash.
- Wexford's 13G. Real institutional money, with real research, took a 5%+ stake in April 2026. That is the kind of validation that microcap investors usually never get. It also tends to attract other institutional buyers who follow well known funds into positions.

What the financials look like

Metric (\$000s)	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Revenue	\$1,617	\$2,194	\$3,181	\$3,364	\$8,410	\$18,502	\$33,304
YoY Growth	(35.0%)	35.7%	45.0%	6.0%	150.0%	120.0%	80.0%
Gross Margin %	62.3%	58.9%	57.6%	53.0%	58.0%	62.0%	65.0%
Adj. EBITDA	(\$4,204)	(\$4,106)	(\$3,376)	(\$4,171)	(\$4,072)	\$1,421	\$10,297
Net Loss (IFRS)	(\$237)	(\$4,566)	(\$8,010)	(\$23,725)	(\$4,522)	(\$279)	\$9,147
Cash (YE)	\$14,500	\$11,200	\$8,589	\$19,053	\$13,005	\$12,321	\$20,018

IFRS Accounting requires that fair market value changes in financial instruments be marked-to-market. Therefore, the 2025 net loss is inflated by entries related to existing warrants and vested options. About \$13.1 million is a non cash warrant fair value charge driven by Mobilicom's rising stock price during the year. (Yes, the better the stock did, the bigger the IFRS loss looked. Welcome to international accounting standards.) Another \$5.9 million is stock based compensation that was vested in 2025 from grants made years earlier. Strip those out and you get to Adjusted EBITDA of roughly negative \$4.0 million. The company's disclosures suggest that real cash burn from operations was just \$1.9 million for the entire year.

How we get to \$7.75

We use three valuation methods and blend them. A discounted cash flow model with a 12.8% WACC and a 3.0% terminal growth rate over a four year forecast horizon suggests \$7.98 per share. A comparable companies analysis applying an 8.4x median peer multiple to our 2026 revenue forecast suggests \$6.68. A precedent transaction analysis, anchored to Motorola's \$4.4 billion acquisition of Silvus Technologies in 2025, suggests \$9.38 in the base case. Weighted 25% / 50% / 25% across the three methods, we land at \$7.75.

Methodology	Bear	Base	Bull	Weight	Contribution
DCF (12.8% WACC, 3.0% g)	\$5.37	\$7.97	\$13.03	25%	\$1.98
Comparable Companies	\$5.15	\$6.68	\$10.10	50%	\$3.34
Precedent Transactions	\$5.40	\$9.38	\$11.37	25%	\$2.35
BLENDED 12 MONTH TARGET		\$7.75		100%	\$7.67

2. Business Review

How Mobilicom got here

Oren Elkayam and Yossi Segal founded Mobilicom in 2007. Both spent formative years in elite Israeli military R&D. Elkayam came out of an Israeli Air Force technology unit and later ran a company called Sortech. Segal worked on electronic warfare R&D in the Israeli Army and was the cofounder and CTO of Runcom, where he authored patents on OFDM/A wireless technology. They saw early what most of the world saw later: drones were going to matter, and the radios connecting them were going to matter even more.

The company filed its IPO on NASDAQ in August 2022 and raised about \$11.6 million net. It is incorporated in Australia, was dual listed on the ASX, and operated through its Israeli subsidiary as the engineering and production hub. There is also a US subsidiary that handles North American business development. Effective January 1, 2024, the company switched its functional currency from Australian Dollars to US Dollars, which makes life easier for everybody trying to compare year over year numbers.

The capital structure underwent surgery in late 2025. On December 8, the company executed a 1 for 275 reverse share split. At the same time, the ratio between Australian ordinary shares and US listed ADSs flipped from 275:1 to 1:1. Holders had to mandatorily exchange ADSs for ordinary shares. This transaction occurred because the old structure was confusing for US investors and was making the share price look optically tiny. After the split there were 12,633,371 ordinary shares outstanding as of March 22, 2026. Cash sat at \$19.1 million. Debt sat at zero.

What the company actually sells

Mobilicom is a vendor to drone manufacturers, not a drone manufacturer itself. Their preferred customer is a Tier 1 OEM building unmanned platforms for the US military or allied governments. The product is the gear that goes inside that platform. Sales cycles can run for years because Mobilicom must win a design slot, then get qualified through certification testing, then start shipping production volumes once the platform itself enters production.

Revenue in 2025 was \$3.4 million. That is up 7% from 2024 but still small in absolute terms. The slow year reflected a transition phase. Mobilicom's customers were finishing up qualifications and final design lock ins. Q4 2025 alone delivered \$926K of revenue. About 70% of total revenue now comes from US defense customers, which is a meaningful shift from earlier years when the mix was more heavily Israeli and European. 2026 and beyond sales are expected to come from a mix of US, Europe and a growing number of APAC customers. The hardware product line ran at a 53% gross margin in 2025. Management thinks the margin moves up over time as software licensing becomes a larger piece of the mix.

Key personnel

Run by a team of seasoned veterans,

Name	Title	Year Joined	Background
Oren Elkayam	CEO and Cofounder	2007	Israeli Air Force technology R&D unit. Former CEO of Sortech. Former VP Business Development at Runcom. BSc in Electrical Engineering plus an MBA from Ben Gurion University.
Yossi Segal	VP R&D and Cofounder	2007	Israeli Army electronic warfare R&D. Former CTO and cofounder of Runcom. Author of OFDM/A patents. BSc, MSc, and MBA from Ben Gurion University.
Udi Altshuler	GM, Mobilicom Israel	2022	25 years of executive experience. Former COO of GuardKnox. Prior tours at Elbit Systems and RADA Electronic Industries.
David Fagelston	VP Global Sales	2021	Eight years as VP Sales at AccuBeat, a Rafael subsidiary. BSc in Electro Optics, MBA from Boston University, LLM from Bar Ilan.
Liad Gelfer	Director of Finance	2021	CPA. Former CFO at multiple tech startups. Former Director of Finance at Supercom (NASDAQ: SPCB). Also worked at Compugen.
Anthony Ezell Miller	Head of Marketing	2024	30 plus years in B2B technology marketing. Stints at Microsoft, IBM, NCR, and FIS. MBA from the University of Michigan Ross School.
Yair Maor	VP Sales, EMEA	2025	Former VP Marketing and Business Development at Israel Aerospace Industries ELTA, a \$1.6 billion revenue division. Previously at Gilat Satellite, RAD, and Orckit.
Avi Rosh	VP Operations	2024	20 years of operations leadership. Prior roles at Siklu, Ceragon, Check Point, and AudioCodes. BSc in Industrial Engineering from Shenkar College.

On the board, Yossi Weiss is worth noting. He was the President and CEO of Israel Aerospace Industries and now serves as President of HevenDrones. Tzvika Friedman cofounded the optical division of ECI Telecom and was the CEO of Alvarion when it traded on NASDAQ. Jacqui Bloom brings 30 years of venture and growth investing. Guy Givoni, an independent director, is a cybersecurity and AI entrepreneur who previously ran SecureStack and led AlgoSec's Asia Pacific business. The whole director and senior management group beneficially owns 985,130 shares, or 7.6% of the company (mostly held by the two founders – Oren Elkayam and Yossi Segal).

Key share ownership

Most of the current 12.6 million shares are outstanding form part of the public float (84%). As of the date of this report, Oren Elkayam (CEO) directly owns 115,368 shares and 1,159,700 options, Yossi Segal (VP R&D) owns 572,154 shares, 600,000 RSUs, 33,144 options and Wexford Capital owns 666,376 shares.

The product portfolio

Mobilicom's products fall into two buckets. The software side is increasingly important. The hardware side still drives most of the revenue.

Software platforms

- **OS3 Cybersecurity Platform.** This is the flagship. Launched in 2024, **OS3** stands for *Operational Security, Safety, and Standards Compliance*. It runs partly on the drone itself (called OS3 Edge) and partly in the cloud (called OS3 Platform). The architecture is built to comply with both NVIDIA and Qualcomm AI compute. In 2025 OS3 hit compliance with the US Department of War's Cybersecurity Risk Management Construct, the new federal regulation called CSRMC. Current partners include Palladyne AI, ARK Electronics, and Aitech.
- **ICE Cybersecurity Suite.** Mobilicom calls this the world's first AI based 360 degree cybersecurity software for drones and robotics. **ICE** stands for *Immunity, Cybersecurity, Encryption*. It blocks more than ten classes of threats: jamming, man in the middle attacks, CPU exploits, GPS spoofing, and so on. The system runs autonomously, meaning the operator does not have to babysit it. ICE ships in three license tiers (Primary, Professional, Premium) and is embedded across every Mobilicom hardware product.

Hardware platforms

- **SkyHopper Datalinks** (PRO, PRO Lite, PRO Micro). Bidirectional, NDAA compliant software defined radios. The Pentagon added them to the Blue UAS Cleared List in February 2025. They support non line of sight transmission and HD video streaming up to about 5 km. The PRO Micro weighs 2.16 ounces. The PRO weighs 4.2 ounces. ICE protection is embedded. The company launched a SkyHopper MultiBand variant in March 2026 with wider spectrum, longer range, and tougher electronic warfare resilience.
- **MCU Mesh Networking Software Defined Radio ("SDR").** Rugged, NDAA compliant mesh networking radios for aerial, ground, and maritime platforms. The MCU 300 model extends coverage to roughly 100 miles (160 km) with HD video. A proof of concept run with Airbus demonstrated live HD video streaming over 100 km. ICE secured.
- **Mobile Ground Control Stations.** Four rugged, IP65 rated portable ground controllers powered by Intel Core processors with bright high-resolution displays. Models include the 8-inch Controller Pro, 10 inch Pro, 10 inch MCU, and 10 inch Touch G. Built for demanding military and commercial missions.

The product pipeline

Management often talks about a three-phase commercialization plan. Recent contract wins moved them through phase one and into phase two.

- **Phase 1, design wins - now complete.** Revenue of \$3.2 million in 2024 and \$3.4 million in 2025 reflected early-stage purchase orders from the main Tier 1 OEM. The phase wrapped with the Department of War Program of Record award. There are other OEMs still in design stage.
- **Phase 2, mass production.** Underway now. The confirmed Tier 1 customer order (supplying to a \$250 million DoW order over 5 years) plus 8 to 10 additional Tier 1 hardware customers per management's 2026 guidance. Of those 8 to 10, management expects 3 to 4 design wins, resulting in 3 to 4 customers in initial production, and 2 in full ramp up. We estimate that the

company will be cash flow positive at a \$18 million annual run rate, which translates to roughly \$4.5 million per quarter. This appears achievable in the latter half of 2026 if the POR ramp shows up on schedule.

- **Phase 3, software dominance.** The vision for 2027 and beyond. OS3 and ICE become the de facto cybersecurity stack for AI autonomous drone fleets. The 2026 guidance targets 4 to 6 NVIDIA and Qualcomm AI partners plus 2 AI autonomy software partners.

Beyond the disclosed contracts, the unbooked pipeline is real. The US Army FTUAS program. SOCOM drone procurement. Israeli Ministry of Defense rotary and fixed wing UAS programs. NATO aligned European drone fleet replacements. Commercial markets in mining, inspection, and public safety where customers like ECA Group, Triad, and Plasan operate may gain some traction (there is decreased focus on this segment right now). In Q1 2026, the company announced expansion in the Asia Pacific region and integration with Summit Defense's loitering munitions products. Hardware capacity is expected to exceed 3,000 units annually. Software delivery capacity is essentially unlimited.

Last Point: Why US manufacturing matters

ASDA changed the game. The American Security Drone Act ("ASDA"), effective December 22, 2025, prevents federal agencies from buying drones that contain technology from foreign adversary entities. Combined with Executive Order 14307 on supply chain integrity from June 2025, the rules now favor US assembled hardware. Recently the company was one of a handful of companies to have its components receive FCC approval as part of its "Trusted Drones" initiative from the Department of War. Management announced a US manufacturing strategy in late 2025 with five components: stand up US assembly operations, leverage Program of Record momentum, build a moat against foreign content competitors, prepare for the long-term Pentagon vision of one million drones a year, and unlock long term recurring revenue. Strategic inventory prepositioning of long lead time components is already underway, funded by the \$19.1 million cash balance.

3. Competitive Landscape

How big is the market and where is it going

The global small drone market sits at roughly \$7.7 billion in 2025. Forecasters expect it to nearly triple to about \$21.2 billion by 2034. That is a 12% compound growth rate. Defense modernization in the US, Europe, and the Indo Pacific is doing most of the heavy lifting. Ukraine and the Middle East have served as a public demonstration that drone dominance is no longer optional for serious militaries.

The Pentagon is moving fast. The Replicator Initiative had a \$1 billion budget across fiscal years 2024 and 2025. The Marine Corps awarded a \$249 million Organic Precision Fires Light contract to Teledyne Flir, AeroVironment and Anduril. The Army's FTUAS program is in motion. More importantly, in July 2025 the US Secretary of War issued a memo reclassifying small tactical drones as ammunition. By reclassifying drones as ammunition demolished the slow, multi year procurement bureaucracy and let individual military units buy drones directly. ASDA followed in December 2025 and locked Chinese suppliers out of the federal procurement market. So the addressable market grew, the procurement cycle accelerated, and the foreign competition got walled off. All in one stretch.

Where Mobilicom fits in the food chain

As we've stated, Mobilicom does not compete with drone manufacturers. Companies like AeroVironment, Skydio, and Red Cat build the drones. Mobilicom sells the secured data links and cybersecurity software that go inside those drones. The competitors are other companies that supply secure datalinks, mesh networking, and cybersecurity to drone OEMs. This is similar to the current automotive supply chain where there are Tiers of suppliers to the main manufacturers, and where the tier 1 suppliers are the gateway to the entire supply chain.

Mobilicom's competitive advantages arise from four places.

- A decade of operational hardening against state sponsored adversaries. Iranian, Russian, and Chinese electronic warfare capabilities tested these radios in real combat environments. That kind of field experience is hard to replicate from a Silicon Valley office.
- Embedded design wins create real switching costs. Once SkyHopper datalinks and ICE cybersecurity get baked into a Tier 1 OEM's certified platform, ripping them out is expensive. Especially after that platform reaches a Program of Record. Switching suppliers means recertification, redesign, schedule risk, and program risk. The math rarely works out.
- Regulatory moat. Blue UAS certification, NDAA compliance, and ASDA effectively exclude the cheapest competitors (DJI and other Chinese origin technology) from the US defense procurement universe.
- Integrated stack. Mobilicom sells radios with cybersecurity built in. Most competitors sell one or the other. The bundle is harder to displace.

Who Mobilicom is up against

Company	Ticker	Focus	Relationship to Mobilicom
Silvus Technologies	Acquired	Advanced SDR for drones, Blue UAS	Closest direct comp. Motorola Solutions bought them for ~\$4.4 billion in 2025.
Persistent Systems	Private	Wave Relay mesh radios called Mobile Ad Hoc Networking (MANET)	Direct competitor in mesh networking. Blue UAS listed.
Doodle Labs	Private	Mesh radios (Hybrid SDR/WiFi) for unmanned systems	Mesh datalink space.
AeroVironment	AVAV	Drone OEM (Switchblade, Puma)	Prospective customer . OEMs use subsystem suppliers like MOB.
Kratos Defense	KTOS	Defense tech, tactical drones	Valuation peer and potential customer.
Red Cat Holdings	RCAT	Small drone manufacturer	Prospective customer Small UAS prime, Blue UAS focused.
Palladyne AI	PDYN	AI autonomy software	Partner via OS3 integration. Not a competitor.
Ondas Holdings	ONDS	UAS plus industrial automation	Adjacent commercial market with some overlap.
Unusual Machines	UMAC	FPV drone hardware	Smaller scale competitor.
Teledyne FLIR	TDY	Integrated defense electronics	Customer. Listed in company disclosures.

Can the moat hold?

The biggest competitive threat is not from below, it is from above. A well-capitalized US defense electronics prime (like Anduril) could build similar SDR and cybersecurity capabilities in house or simply buy a competitor. The Silvus Technologies deal, where Motorola Solutions paid around \$4.4 billion in 2025, tells you exactly what kind of premium incumbents will pay for proven Blue UAS grade SDR technology.. So Mobilicom is both a competitive target and a potential acquisition candidate. Either outcome works for shareholders.

4. Historical Financial Performance

Reading the income statement properly

Mobilicom reports under IFRS. From January 1, 2024, the functional currency is US Dollars. Prior period figures convert from Australian Dollars at prevailing rates for comparability.

IFRS attempts to create a level playing field for all companies, but the accrual accounting is sometimes annoying. It requires mark-to-market accounting for outstanding warrants and other financial instruments. So, if the share price goes up, the warrant liability on the balance sheet goes up, and the income statement records the change in warrant value as a non-cash expense. The result is that good news for shareholders shows up as a loss on the P&L. This accounting construct drives investors crazy as net income numbers don't make sense (skewing P/E and any other earnings-based analysis). Accordingly, adjusted EBITDA, which strips these out along with stock-based compensation and other noncash or non-operating charges, is the better operating profit metric at this time. We provide our own view of Adjusted EBITDA in our analysis below.

When we review the actual financials over the last four years, we find that while revenue and gross profit have been improving net income has been declining precipitously.

Table 1: Summary of Income Statement Adjusted EBITDA (\$000s)

Income Statement	2022A	2023A	2024A	2025A	2025 Notes
Revenue	\$1,617	\$2,194	\$3,181	\$3,364	+7% YoY in 2025
Cost of Revenue	(\$610)	(\$902)	(\$1,349)	(\$1,576)	Hardware mix grew
Gross Profit	\$1,007	\$1,292	\$1,832	\$1,788	
Gross Margin %	62.3%	58.9%	57.6%	53.0%	Hardware heavy mix
Sales and Marketing	(\$1,739)	(\$2,088)	(\$1,965)	(\$3,327)	+69%, mostly SBC
Research and Development	(\$1,773)	(\$1,937)	(\$2,127)	(\$4,897)	+130%, SBC plus radios
General and Admin	(\$1,869)	(\$2,256)	(\$1,971)	(\$3,884)	+97%, SBC driven
Operating Loss	(\$4,374)	(\$4,989)	(\$4,231)	(\$10,320)	Mostly non cash
Government Grants (IIA)	\$641	\$197	\$188	\$229	Israel Innovation Authority
Interest Income	\$117	\$293	\$270	\$265	Higher cash balance
FX Gain / (Loss)	\$849	\$359	\$204	\$920	Less FX after USD switch
FV (Loss) on Warrants	\$2,551	(\$330)	(\$4,252)	(\$13,044)	Non cash
Finance Costs	(\$10)	(\$15)	(\$27)	(\$9)	
Pre Tax Loss	(\$228)	(\$4,485)	(\$7,850)	(\$23,799)	
Income Tax	(\$10)	(\$81)	(\$161)	\$75	From subs
Net Loss (IFRS)	(\$237)	(\$4,566)	(\$8,010)	(\$23,725)	Non-cash
Add Back: Warrant FV Loss	(\$2,551)	\$330	\$4,252	\$13,044	Non cash, reverse out
Add Back: Stock-based compensation (SBC)	\$150	\$200	\$250	\$5,900	RSUs & Options Admin
Add Back: D&A	\$635	(\$726)	(\$224)	\$125	Net of FX, IIA, interest
Add Back: Income Tax	\$10	\$81	\$161	(\$75)	
Add Back: Finance	\$10	\$15	\$161	\$9	Non operating
Less: Gov't Grants	(\$641)	(\$197)	(\$188)	(\$229)	Non operating
Less: Interest Income	(\$117)	(\$293)	(\$270)	(\$265)	Non operating
Adjusted EBITDA	(\$4,204)	(\$4,106)	(\$3,376)	(\$4,171)	

Looking at this data, a few things jump out. Revenue growth slowed to 7% in 2025, after a 45% pace in 2024. That reflects the transition phase. Tier 1 customers were still finishing qualifications and locking in designs. Then there is the IFRS net loss of \$23.7 million, which looks alarming until you decompose it.

About \$13.7 million is noncash warrant fair value losses driven by stock price appreciation. Another \$5.9 million is stock based compensation from Options and RSUs vesting in 2025. Strip those out and operating cash burn was just \$1.9 million for the entire year (including non-operating cash receipts like government grants and net interest income). Monthly burn dropped 41% to \$159K. The lowest in company history.

Balance sheet highlights

Table 2: Balance sheet summaries (\$000s)

Balance Sheet	2022A	2023A	2024A	2025A
Cash and Equivalents	\$14,500	\$11,200	\$8,589	\$19,004
Restricted Cash	\$100	\$100	\$97	\$109
Trade Receivables	\$650	\$780	\$950	\$348
Inventories	\$420	\$560	\$893	\$740
Total Current Assets	\$15,670	\$12,640	\$10,529	\$20,201
PP&E plus ROU Assets	\$540	\$440	\$314	\$535
TOTAL ASSETS	\$16,210	\$13,080	\$10,843	\$20,737
Trade Payables	\$850	\$980	\$1,233	\$2,159
Total Current Liabilities			\$1,445	\$2,372
Warrant Liability (non cash)	\$4,800	\$3,200	\$5,141	\$9,080
TOTAL LIABILITIES	\$6,250	\$4,740	\$6,866	\$11,912
TOTAL EQUITY	\$9,960	\$8,340	\$3,977	\$8,825
Working Capital	\$13,930	\$9,840	\$9,084	\$17,594

2025 was transformational on the balance sheet. Cash grew 120% from \$8.6 million to \$19.1 million, mostly from \$12.4 million of warrant exercise proceeds and ATM share issuance (the ATM program has since been cancelled).. Total equity almost doubled to \$12.0 million despite the IFRS loss, because the warrant exercise cash flowed into equity. The warrant financial liability climbed to \$9.1 million on paper. Important to remember though: that liability is non cash. Nobody can present those warrants and demand \$9.1 million in cash from the company. It is just a mark to market accounting figure.

Cash flow highlights

Table 3: Cash flow summaries (\$000s)

Cash Flow Item	2023A	2024A	2025A
Net Cash Used in Operations (without interest income & government grants)	(\$4,322)	(\$3,822)	(\$2,401)
Net Cash Used in Investing	(\$25)	(\$27)	(\$37)
Net Cash from Financing	(\$272)	\$3,475	\$12,366
Net Change in Cash	(\$4,447)	(\$374)	\$9,928

Cash flow tells the de-risking story cleanly. Operating cash burn dropped 37% to \$2.4 million in 2025, down from \$3.2 million in 2024. Meanwhile \$12.4 million flowed in from warrant exercises and equity issuance. The combined effect was a \$10 million increase in the cash balance during the year. That gives Mobilicom multiyear operating runway even at current revenue and expense levels.

5. Key Financial Ratios

Liquidity

Liquidity Ratio	2022A	2023A	2024A	2025A	2026E	2027E
Current Ratio (x)	14.2x	10.0x	6.9x	7.7x	6.8x	5.2x
Quick Ratio (x)	13.8x	9.6x	6.3x	7.4x	5.9x	4.3x
Cash Ratio (x)	13.2x	8.9x	5.6x	7.3x	5.0x	3.1x
Working Capital (\$000s)	\$14,570	\$11,380	\$9,004	\$17,534	\$15,025	\$16,421
Cash Runway (months)	45+	33+	32+	120+	60+	CFO+

How long can Mobilicom keep operating without raising more money? At the current \$159K monthly burn rate and \$19.1 million cash, the answer is over ten years on paper. (In reality, the burn rate will rise as the company invests in production ramp, but the liquidity buffer is enormous.) As production and revenue scales in 2026 and 2027, these ratios will compress to more typical industry norms of 1.5x to 3x. That is not a bad thing. It just means working capital is being deployed productively.

Leverage

Leverage Ratio	2022A	2023A	2024A	2025A	2026E
Total Debt / Equity	0.00x	0.00x	0.00x	0.00x	0.00x
Net Debt (\$000s)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
Interest Coverage	N/M	N/M	N/M	N/M	N/M
Warrant Liab / Total Assets	29.6%	24.5%	47.4%	43.9%	21.5%
Total Liab / Total Assets	38.6%	36.2%	63.3%	57.6%	39.2%

Zero debt. End of analysis.

The elevated total liabilities to total assets ratio in 2024 and 2025 (63% to 58%) might look concerning at first glance. It is not. Strip out the non cash warrant liability and that ratio drops to roughly 12% to 15%. This is exactly why investors must look past raw IFRS numbers when evaluating Mobilicom's actual financial health. As warrants get exercised or expire, the ratio normalizes.

Operating performance

Based on our review of management statements and our understanding of the Department of War procurement cycles, we expect and anticipate revenue growth in 2026 and 2027 to rapidly expand as their first Tier 1 drone OEM role builds traction and for other Tier 1 OEMs to start to build their certifications and pipelines. Disciplined management of the R&D and G&A while expansion of Sales & Marketing are also expected during this period.

Operational Ratio	2022A	2023A	2024A	2025A	2026E	2027E
Revenue Growth (YoY)	(35.0%)	35.7%	45.0%	7.0%	150.0%	120.0%
Gross Margin	62.3%	58.9%	57.6%	53.0%	58.0%	62.0%
Adj EBITDA Margin	(247.5%)	(217.1%)	(117.0%)	(117.6%)	(48.4%)	7.7%
R&D / Revenue	109.7%	88.3%	66.9%	143.9%	49.9%	24.3%
S&M / Revenue	107.6%	95.2%	61.8%	97.8%	35.7%	17.8%
G&A / Revenue	115.6%	102.9%	62.0%	114.2%	41.6%	20.0%
Asset Turnover (x)	0.10x	0.17x	0.29x	0.13x	0.45x	0.87x
Days payable		365	295	387	222	146
Days receivable		117	98	69	59	67
Days inventory		195.6	193.9	186.5	150.8	146.4
Cash conversion		(52.3)	(3.5)	(131.4)	(12.5)	67.6

The 2025 operating ratios need careful interpretation. Nominal operating expense ratios spiked because slow revenue collided with \$5.9 million of SBC that vested across the S&M, R&D, and G&A line items. Strip out SBC and the underlying expense growth looks much tamer. From 2026 forward, the model expects the classic operating leverage S curve. EBITDA margin moves from negative 48% in 2026 to positive 7.7% in 2027 to positive 31% in 2028. By 2027, every operating expense line drops below 25% of revenue. That is the inflection that drives the price target.

It should be noted that the company has had excessive payable periods as part of its operations due to cash constraints, with a new round of capital and future capital available from warrant exercises, we anticipate that payables will more closely match industry averages over time while receivable collections and inventory turnover improve. As a result, we expect that the business operations will be generating cash instead of consuming cash in late 2026 and into 2027 as registered in the cash conversion estimates.

6. Four Year Financial Forecast

How we built it

The forecast is bottom up. We anchor it to three things: the confirmed Department of War Program of Record, management's 2026 guidance for the hardware customer pipeline, and the cash flow positive target of \$12 million annual revenue (~\$3 million per quarter).

Here are the major assumptions.

- **Revenue.** We forecast 150% growth in 2026 to \$8.5 million, driven by the Program of Record ramp and the 8 to 10 hardware customers in management's 2026 guidance. Then 120% in 2027 to \$18.7 million as the POR scales and new design wins enter production. Then 80% in 2028 to \$33.3 million as programs reach maturity. Then 15% in 2029 to \$38.3 million as growth normalizes. The 2026 forecast sits about 30% below management's "\$12 million cash flow positive run rate (annual)" target. We are deliberately conservative.
- **Gross margin.** We model gradual expansion from 53% (2025 actual) to 58% in 2026, 62% in 2027, 65% in 2028 and 68% in 2029 and thereafter. This margin expansion is caused primarily due to increased software licensing in the sales mix (which carries 80% to 85% gross margins). As OS3 and ICE become a bigger piece of revenue, the blended margin pulls higher. The 53% in 2025 reflects an unusual hardware heavy mix during ramp preparation.
- **Operating expenses.** Modest absolute dollar growth after the 2025 SBC spike over the forecast period. S&M of \$3.0 to \$4.2 million. R&D of \$4.2 to \$5.5 million. G&A of \$3.5 to \$4.4 million. As a percentage of revenue, each falls dramatically. EBITDA breakeven in 2027. Robust profitability by 2028.
- **Cash management.** We assume no new equity issuance beyond modest warrant exercises (\$2 million in 2026), but should the company need additional capital there's another \$12 million available from approx. 2.2M \$5.00 warrants outstanding. The business should self-fund on operating cash flow by mid-2027 and generate \$7.5 million plus of free cash flow in 2028.

Projected income statement

Income Statement (\$000s)	2026E	2027E	2028E	2029E
Revenue	\$8,410	\$18,502	\$33,304	\$38,299
YoY Growth	150.0%	120.0%	80.0%	15.0%
Gross Profit	\$4,878	\$11,471	\$21,647	\$26,043
Gross Margin %	58.0%	62.0%	65.0%	68.0%
Operating Expenses	(\$10,700)	(\$11,500)	(\$12,600)	(\$14,100)
Adj. EBITDA	(\$4,072)	\$1,421	\$10,297	\$13,193
Adj. EBITDA Margin	(48.4%)	7.7%	30.9%	34.4%
Net Income / (Loss) IFRS	(\$4,522)	(\$279)	\$9,147	\$11,543
Free Cash Flow	(\$7,748)	(\$884)	\$7,497	\$10,293

Projected balance sheet

Balance Sheet (\$000s)	2026E	2027E	2028E	2029E
Cash and Equivalents	\$12,095	\$12,221	\$19,918	\$30,412
Total Current Assets	\$17,625	\$20,321	\$31,718	\$45,512
Total Assets	\$18,625	\$21,271	\$32,648	\$46,412
Total Liabilities	\$7,300	\$5,500	\$5,900	\$7,300
Total Equity	\$11,325	\$15,771	\$26,748	\$39,112
Net Cash (Debt Free)	\$13,005	\$12,321	\$20,018	\$30,512

Projected cash flow statement

Cash Flow (\$000s)	2026E	2027E	2028E	2029E
Cash from Operations	(\$7,698)	(\$809)	\$7,747	\$10,543
Cash from Investing (CapEx)	(\$50)	(\$75)	(\$200)	(\$250)
Cash from Financing	\$1,700	\$200	\$200	\$200
Net Change in Cash	(\$6,048)	(\$684)	\$7,697	\$10,493
Free Cash Flow	(\$7,748)	(\$884)	\$7,497	\$10,293
FCF Margin %	(92.1%)	(4.8%)	22.5%	26.9%

7. Valuation Analysis

When building an estimated equity value for Mobilicom we reviewed three common valuation methods: Discounted Cash Flow method, peer comparables and transactions in the market for similar companies.

Method 1: Discounted cash flow (DCF)

A DCF asks a simple question: what is this company worth based on the cash it will generate over its lifetime, discounted back to today? To answer it, we need two inputs that drive everything else. First, the projected free cash flows over the forecast period. Second, the discount rate (the WACC) used to bring those future cash flows back to present value.

How we estimated WACC

We used the build up method for estimated the WACC at 12.8%. Here is the build.

WACC Component	Input	Source / Rationale
Risk Free Rate	4.3%	10 year US Treasury yield as of April 2026
Equity Risk Premium	5.5%	Damodaran US ERP estimate, current market conditions
Beta (adjusted)	1.55	Defense and drone tech peers (AVAV, KTOS) average ~1.4x. Add 0.15 small cap premium.
Cost of Equity (CAPM)	12.8%	= 4.3% + (1.55 x 5.5%) = 12.83%
Pre Tax Cost of Debt	0.0%	No debt. So no debt component in WACC.
Target Capital Structure	0% / 100%	Balance sheet is and will remain debt free
Tax Rate	0.0%	Net loss position. No applicable tax shield.
WACC	12.8%	Equals cost of equity given debt free structure
Terminal Growth (g)	3.0%	Long term GDP plus assumption

Some analysts apply 15% to 20% discount rates to early-stage stories like this one. We chose to be more measured. Why? Three reasons. The Blue UAS certification is in hand. The Program of Record is now contracted. The balance sheet is debt free. Any one of those would justify a step down in risk. All three together justify the 12.8% rate. As the terminal value represents 78% of the estimated equity value in our DCF model it is most sensitive to the terminal growth assumption (a 1% change in long term growth rate (g) shifts the implied price by ~\$0.90) and to the WACC itself (a 1% change in WACC shifts the implied price by ~\$0.70).

DCF inputs and result

DCF Input (\$000s)	2026E	2027E	2028E	2029E	Terminal
Adj EBITDA	(\$4,072)	\$1,421	\$10,297	\$13,193	\$13,859
Less Cash Taxes	(\$50)	(\$100)	(\$300)	(\$800)	
Less CapEx	(\$50)	(\$75)	(\$250)	(\$250)	(\$250)
Less Working Capital	(\$3,526)	(\$2,080)	(\$2,200)	(\$1,800)	
Unlevered FCF	(\$7,698)	(\$2,080)	\$7,547	\$10,343	\$13,339
Discount Factor (12.8%)	0.886x	0.786x	0.696x	0.617x	
PV of FCF	(\$6,823)	(\$655)	\$5,255	\$6,383	

DCF Valuation Summary (\$000s)	Value
Sum of PV of Forecast FCFs	\$4,160
Terminal Value (Gordon Growth: g=3.0%, WACC=12.8%)	\$135,768
PV of Terminal Value	\$83,787
Enterprise Value (DCF)	\$87,947
Plus Net Cash (YE 2025A unrestricted)	\$18,944
Equity Value (DCF)	\$106,891
Diluted Shares (vested options & RSUs) (M)	13.5
Implied Value per Share (Base)	\$7.94

The current number of shares outstanding is just over 12.6 million. When we include all current outstanding shares and vested options/RSUs in the share count our DCF prints \$7.94 per share, well above the \$6.50 current price. Most of the value sits in the terminal year. About 78% of the enterprise value comes from the post 2029 cash flow stream. That is normal for a high growth business. It is also why we cap the DCF weight at 25% in our blended target. Terminal value heavy DCFs are sensitive to long horizon assumptions. Comparable companies and precedent transactions provide useful triangulation.

When we fully dilute all the shares outstanding (assuming all warrants, options and RSUs are converted) we arrive at 16.8 million shares and thus a fully diluted implied equity price of \$6.37, which is close to the current price of \$6.50.

Sensitivity analysis helps us build our Bull and Bear cases. When long term growth is slow (1%) and WACC is high (15.8%) the equity price is \$5.37, when long term growth is high (5%) and WACC is low (10.8%) the equity price is \$13.03.

Method 2: Comparable companies analysis (“CCA”)

We benchmark Mobilicom against publicly traded peers in defense technology, unmanned systems, AI semiconductors, and advanced communications. Forward EV / Revenue is the primary metric because EBITDA is negative for most peers in this growth phase. Multiples reflect S&P Capital IQ data as of October 2025 with select updates for April 2026.

Table 4: Comparable companies valuations

Company	Ticker	EV (\$M)	2026E Rev (\$M)	EV/2026E Rev	Description
AeroVironment	AVAV	\$19,597	\$2,325	8.4x	Large UAS prime
Kratos Defense	KTOS	\$15,718	\$1,547	10.2x	Defense tech and drones
Teledyne Technologies	TDY	\$29,314	\$6,390	4.6x	Diversified defense electronics
Ambarella	AMBA	\$3,030	\$410	7.4x	AI vision chips
Red Cat Holdings	RCAT	\$1,587	\$146	10.8x	Small UAS, DoD focused
Ondas Holdings	ONDS	\$3,789	\$79	48.0x	UAS plus automation
Palladyne AI	PDYN	\$345	\$7	46.3x	Autonomy software (MOB partner)
Unusual Machines	UMAC	\$384	\$28	13.9x	FPV drone hardware
Draganfly	DPRO	\$49	\$16	3.1x	Small commercial drones
PEER MEDIAN				8.4x	
PEER AVERAGE				15.0x	
Mobilicom (current \$6.50)	MOB	\$63	\$8.4	7.4x	Modest discount
Mobilicom @ \$7.75 target	MOB	\$78	\$8.4	9.3x	Above peer median

Source: Capital IQ

Apply the peer median 2026E EV / Revenue multiple of 8.4x to our \$8.4 million revenue forecast and you get an enterprise value of roughly \$71 million. Add net cash of \$19.1 million and equity value lands near \$90 million, or about \$6.68 per share at 13.5 million diluted shares (outstanding plus vested options & RSUs) . We view this peer median point as the CCA base case (50% weight). Our Bull case at 14x implies \$10.10. Our Bear case at 6x implies \$5.15.

Method 3: Precedent transactions

What have strategic acquirers actually paid for similar businesses in real M&A transactions? Nothing beats real world examples of transactions to assess fair market value of assets/companies. Unfortunately, there are not many companies that are exactly like Mobilicom, so we must use sale or financing transactions in the same industry.

Table 5: Defense company transactions

Transaction	Acquirer	Date	Deal Size	EV/Rev	Relevance
Silvus Technologies	Motorola Solutions	2025	\$4.4B	20x	Closest direct comp. Advanced SDR for drones, Blue UAS.
Shield AI (Series F)	Private (Round F)	2024	\$2.7B val.	18x	AI autonomous drones with strong DoD programs.
Persistent Systems	Pending	2025	\$1.5B	7.5x	Wave Relay mesh, Blue UAS listed.
Viasat (Blue Drone)	CACI International	2024	\$1.3B	2.5x	Defense UAS systems, lower growth profile.
TRANSACTION MEDIAN				12.8x	Across all four disclosed deals

Source: Capital IQ

When we apply a 50% scale and stage discount to the median transaction multiple of about 12.8x (resulting in an applied 6.4x) to our 2026E revenue of \$8.4 million. That gives an enterprise value of roughly \$54 million. Add \$19 million of net cash and equity value reaches \$73 million, or \$5.40 per share. That anchors our bear case. When we remove this discount, the precedent transaction, creating a base case the share price is \$9.38. Our rationale for removing this discount relates uniquely to Mobilicom because it has (a) the strategic premium incumbents have paid for proven Blue UAS grade SDR technology and (b) the scarcity value of Mobilicom's integrated cybersecurity stack. Using the Silvus / Motorola transaction at 20x revenue (25% discount = 16x) sets a credible upper bound of \$11.37 per share.

Combination of valuation methods: Blended target: \$7.75

Method	Bear	Base	Bull	Weight	Wtd. Contribution
DCF	\$5.37	\$7.98	\$13.03	25%	\$1.98
Comparable Companies	\$5.15	\$6.74	\$10.10	50%	\$3.34
Precedent Transactions	\$5.40	\$9.38	\$11.37	25%	\$2.35
BLENDED 12 MONTH TARGET		\$7.75		100%	\$7.67
Current Price (April 2026)		\$6.50			
Implied Upside		18%			

Twelve month price target of \$7.75. BUY rating. Catalysts that could drive the stock toward (or past) the target include: production order announcements in Q1 or Q2 2026 confirming the POR ramp; OS3 software licensing contract announcements demonstrating high margin recurring revenue; additional Tier 1 hardware customer announcements in 2026; or strategic interest from a larger defense prime, given the consolidation pattern set by Silvus / Motorola Solutions.

8. Key Risk Factors

Investing in Mobilicom carries real risks. Operational, financial, strategic, and external. We rate each risk by severity (High, Medium, Low) and direction (Improving, Stable, Deteriorating).

Risk	Severity	Trend	Description and Mitigants
Customer and Program Concentration	HIGH	Improving	Per management, 70%+ of revenue now comes from US defense and the Tier 1 customer's Program of Record. Lose either and forecasts blow up. Mitigants: 5 year, \$250M POR contract structure. 8 to 10 additional hardware customers targeted for 2026. Growing OS3 partnerships (Aitech, ARK, Palladyne).
POR Execution and Production Ramp	HIGH	Stable	A successful POR ramp depends on the Tier 1 customer's production processes, supplier qualifications, and DoW funding all working on schedule. Component lead times of 16 to 24 weeks add risk. Mitigants: \$19.1M cash funds component pre buying. Outsourced manufacturing model. >3,000 unit annual hardware capacity.
Geopolitical Risk (Israel)	HIGH	Stable	Core R&D, operations, and key technical personnel are based in Israel. Prolonged regional conflict could disrupt operations and reservist call ups. Mitigants: Distributed management (US, Australia). Essential defense work qualifies for some exemptions. Planned US assembly diversifies production geography.
Non Cash IFRS Warrant Volatility	MEDIUM	Improving	IFRS forces mark to market accounting for warrants. As stock rises, the IFRS loss balloons. The 2025 net loss of \$23.7M includes \$13.1M of these non cash charges. Mitigants: Investors must focus on Adjusted EBITDA, 2.4M of the \$5.00 strike IPO warrants are outstanding, but the remaining warrant overhang is shrinking.
Stock Based Compensation	MEDIUM	Stable	FY2025 SBC of about \$5.9M (vs \$250K in 2024) reflects vesting of options and legacy RSU grants. Non cash but dilutive. Mitigants: SBC moderates substantially in 2026+ as legacy grants fully vest. Future grants likely calibrated to operational milestones.
Technological Arms Race	MEDIUM	Stable	Mobilicom must keep investing in R&D to stay ahead of evolving electronic warfare and cyber threats. A breach of a Mobilicom secured platform in real combat would be devastating. Mitigants: A decade of field hardening against state actors. ICE's autonomous response. OS3 CSRMC certification. \$4.9M of R&D spend in 2025.
Profitability Timeline	MEDIUM	Improving	Achieving cash flow positive needs the \$18M annualized revenue threshold per management, currently expected in 2026 to 2027. Slower ramp extends cash consumption. Mitigants: \$19M cash plus \$159K monthly burn (for 2025) equals 120+ months of runway. Warrant exercises in 2026 add ~\$2M.

Supply Chain	MEDIUM	Improving	Outsourced manufacturing depends on third party suppliers. 16 to 24 week lead times for MCUs and RF parts. 170% US tariffs on Chinese components add pressure. Mitigants: NDAA compliant sourcing. Strategic inventory pre positioning. Planned US assembly operations.
IP and Key Personnel	MEDIUM	Stable	Mobilicom relies heavily on proprietary know how and trade secrets, especially within the founding engineering team. Loss of cofounders or key engineers would hurt. Mitigants: Founder equity ownership. Compensation programs. Senior team is expanding. Wexford 5.27% institutional alignment.
Export Control	LOW	Stable	Products require Israeli and US export licenses for some markets. IIA grants carry IP transfer restrictions. Mitigants: Company has navigated these constraints since founding. IIA exposure is minimal (\$200K in 2025).
Cash Burn / Liquidity	LOW	Improving	At a \$159K monthly burn rate, for y2025, the \$19.1M cash balance equals more than ten years of theoretical runway at current scale. Mitigants: Lowest burn rate ever. Warrant exercises adding cash. Cash flow positive expected in 2026 to 2027.

Risk factors to pay attention to

The most important risks to monitor are POR concentration and execution. The Department of War Program of Record win in late 2025 was the single largest derisking event in Mobilicom's history. But it concentrates a substantial chunk of forecasted near term revenue in one program. So watch for production order announcements in Q2 and Q3 2026. Watch for management to add the additional Tier 1 customers they've targeted (8 to 10 hardware partners). Watch for OS3 software licensing revenue growth, the leading indicator of recurring revenue traction.

On the other side of the ledger, the financial risk profile is much less scary than it looks. The balance sheet is debt free. Cash runway runs into the years. Wexford's 13G filing brings institutional validation. And the regulatory tailwinds (ASDA, EO 14307, the Blue UAS framework, FCC exemption) reinforce the entire thesis. For investors with appropriate risk tolerance and a 12-to-24-month horizon, the asymmetric upside from successful POR execution outweighs the listed risks. BUY rating with \$7.75 price target reflects that risk and reward judgment.

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Rating Criteria

Buy Total return expected to exceed 15% within 12 months

Hold Total return expected between -15% and +15% within 12 months

Sell Total return expected to decline more than 15% within 12 months

Total return is defined as price appreciation plus dividend yield over a 12-month period.

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