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Zacks Small-Cap Research

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KULR: KULR Technology – A New Emphasis on Space Exploration and Government Efficiency Could Spur Sales for KULR

We believe KULR stock is worth $0.65 per share based on half the average 2025 EV/Sales ratio of 9.4 times its peer group of high-end battery producers and consultants.

Current Price (11/15/24)	$0.39
Valuation	**$0.65**

OUTLOOK

KULR Technology Group, Inc. develops and commercializes high-performance thermal management technologies for electronics, batteries, and other components across a range of applications. Currently, it is focused on high performance aerospace and Department of Defense applications, such as space exploration, satellite communications, and underwater vehicles, and applying them to mass market commercial applications, such as lithium-ion battery energy storage, electric vehicles, 5G, cloud computer infrastructure, consumer and industrial devices. It is also applying its zero-vibration technology to fans in commercial markets which has already resulted in a licensing agreement.

SUMMARY DATA

52-Week High	**$0.81**
52-Week Low	**$0.12**
One-Year Return (%)	**25.8**
Beta	**1.7**
Average Daily Volume (sh)	**5,144,272**
Shares Out. (mil)	**214.2**
Market Capitalization ($mil)	**$83.5**
Short Interest Ratio (days)	**3.0**
Institutional Ownership (%)	**21**
Insider Ownership (%)	**11**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**99.4**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2024 Estimate	**N/A**
P/E using 2025 Estimate	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small Growth**
Industry	**Elec. Comp. & Acces**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	0.2 A	0.6 A	1.4 A	1.8 A	4.0 A
2023	1.8 A	2.7 A	3.0 A	2.3 A	9.8 A
2024	1.7 A	2.4 A	3.2 A	2.8 E	10.2 E
2025					15.0 E

Earnings Per Share
(GAAP)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	-$0.04 A	-$0.05 A	-$0.05 A	-$0.04 A	-$0.18 A
2023	-$0.06 A	-$0.05 A	-$0.05 A	-$0.04 A	-$0.20 A
2024	-$0.04 A	-$0.03 A	-$0.01 A	-$0.02 E	-$0.09 E
2025					-$0.04 E

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WHAT'S NEW

The New Administration and DOGE Could Provide Opportunities and Challenges for KULR

The reaction in the market to the election and potential changes going forward has been mixed for those involved in EV batteries, green energy, and space. The new administration's main goal is to rein in the administrative state and cut spending and regulations to spur the economy and growth. These actions could help KULR in some ways and hurt it in others. One way to cut spending is to repeal or alter the contradictory Inflation Reduction Act, which could eliminate the subsidies on electric vehicles and hurt KUHL's EV customers. It might also cancel grants for battery research.

On the other hand, cutting regulations and red tape to accelerate space technology and modernize the military could aid sales. DOGE is keen to save money, and KULR's Vibe is a product with huge potential and virtually immediate ROI for the military. While it is much too early to predict what actions might be taken, KULR's focus might switch as opportunities arise.

The company's main drivers—acceleration of the space battery market, improved batteries for military use, and KULR vibration technology are all in strong positions regardless of what happens. They all push modernization efforts and save the government money.

Q3 Results Include the First Licensing Payment for KULR Vibe Technology

Revenues for the quarter ending September 30th were $3.2 million versus $3.0 million, showing an increase of 4.8%. 53% of those sales were from two customers. The larger was a new customer, a Japanese fan manufacturer who paid a one-time license fee of $1.0 million for KULR Vibe, resulting in 32% of sales. This was the first licensing deal for KULR Vibe. The second customer generated $670,000 in revenues. Both of these customers were not customers last year. In last year's quarter, 56% of sales came from one customer who bought nothing in this quarter and is expected to buy nothing in Q4. Excluding that customer, revenue would have been up 138%.

The gross margin for Q3 2024 was 70.9%, up from 44.0% in Q3 2023, as the $1 million license fee had no cost of goods. Gross margin dollars increased 68.8%.

Total operating expenses for Q3 2024 declined to $4.0 million from $6.4 million in the same period of 2023. The biggest drop was in S,G&A, where expenses declined $2.1 million from the year before. The decrease was due to a reduction in stock-based compensation due to clawing back amortization for unvested, canceled restricted stock awards of $638,592, a decrease in advertising expense of $571,238 due to a sponsorship agreement terminating in 4Q23, and a decrease of $481,661 in depreciation expense primarily due to leasehold improvements for the San Diego facility being fully depreciated in 2Q24.

The operating loss for the quarter was $1.7 million versus a loss of $5.1 million last year. The company had a net interest expense of $29,000 versus $188,000 last year as the company paid off debt. The pre-tax loss was $2.0 million versus $5.5 million last year. Taxes were zero for both periods. This resulted in a loss per share of $0.01 versus a loss of $0.05 last year. Shares outstanding were 195 million versus 117 million in 2023, up 66%.

Taking out a small amount of stock-based compensation, non-GAAP net loss was $1.9 million versus $4.7 million or $ 0.01 versus $0.05 per share.

Balance Sheet

As of September 30, KULR had $912,000 in cash, a negative $1.2 million in working capital, and $1.3 million in debt. It had a negative free cash flow of $1.3 million (not including changes in working capital) for the quarter.

On July 3, 2024, KULR entered into an ATM to sell up to $20 million in stock. During the quarter beginning July 3rd, KULR sold a total of 12.8 million shares of stock for gross proceeds of $3.4 million. After the quarter ended, it sold another 13.0 million shares for gross proceeds of $4.3 million through November 12, 2024. In the first half of the year, KULR had funded its deficit through stock sales to Yorkville advisors through a SEPA. The SEPA was terminated as of June 30, 2024.

On October 31st, KULR repaid the remaining balance of a $100,000 note payable.

As of November 12th, there were 214,227,808 primary shares outstanding. At the end of September, there were also 150,000 unvested restricted stock awards, 3,537,611 unvested restricted stock units, 538,341 options, and 2,714,587 warrants, all totaling 6,940,539.

The company also has been factoring its receivables. On July 11th, it received $758,850 of cash (net of underwriting fees of $40,000 and $201,150 used to pay the remaining balance of the first merchant cash advance), with the obligation to repay $1,350,000 over forty-three weekly payments of $31,395, beginning July 18, 2024. From October 1, 2024, to November 12, 2024, the company repaid $313,487 of the merchant cash advances. As of November 12, 2024, the outstanding balance of the merchant cash advances was $810,830.

During the Quarter

On July 8th, KULR announced it received a purchase order exceeding $400,000 from NASA as part of a $2 million multi-phase agreement for its advanced automated battery cell screening system. The contract with NASA is to test lithium-ion cells in future battery packs designed for the Artemis Program, a series of United States-led international human spaceflight programs.

On August 20th, the President and Chief Operating Officer resigned. KULR agreed to provide certain separation benefits, which include accelerated vesting of the final tranche of his restricted stock award, consisting of 500,000 unvested shares previously granted. As a result, the company reversed $435,000 in amortization expense related to the unvested award.

Also, on August 20th, KULR announced it had been selected for a pivotal battery pack reference design project by Amprius Technologies. The final reference design will provide Amprius' customers with a solution to address thermal runaway at the battery pack level that leverages KULR ONE Design Solutions, with Amprius' high-energy Silicon Anode pouch cells to meet FAA and European Union Aviation Safety Agency (EASA) standards.

On September 25th, KULR announced that it was on track to complete its initial engagement with the United States Army by Q3 2024 and that the Army has expanded its battery contract with the company to $2.4 million. This contract includes the development of additional prototypes and comprehensive environmental qualification testing per MIL-STD-810E standards.

On September 29, 2024, KULR entered into a $2.35 million three-year licensing agreement with a customer in Japan to use its KULR VIBE software to measure and reduce fan vibration levels. This customer is a leading Japanese corporation specializing in systems integration and advanced semiconductor solutions. It intends to use Vibe to balance industrial fan systems used in data center computer cooling, HVAC, and other industrial applications. The agreement gives the customer the exclusive license to use the software in Japan

(for Japanese customers) to operate KULR's Balancer. The Balancer is a hardware device used to measure vibration levels.

During the quarter, KULR recognized $1.0 million from a one-time, non-refundable license fee of $500,000 for the right to use its IP, plus future minimums required by the contract. The fan manufacturer will pay royalty fees of $0.20 per unit of any rotational system balanced by a Balancer and 3% of gross sales of all Balancers the customer manufactures and sells to a third party. The customer will make quarterly royalty payments to the company, which is expected to vary from period to period, with a minimum quarterly payment of $50,000. Since the payment of the minimum royalty occurs significantly after performance, this indicates a significant financing component. Therefore, KULR immediately recognized revenue equal to the present value ($528,767) of the $600,000 to be received, using the prevailing interest rate of 8.0%.

Since the Quarter Ended

On November 14th, KULR announced it was awarded a contract to develop a specialized Phase-Change Material (PCM) heat sink for an undisclosed major missile program.

FORECASTS

For 2024, we are raising our revenue and earnings expectations due to the revenue beat in Q3 as well as an expectation of lower-than-forecasted spending. We now expect revenue to reach $10.2 for the year and for the net loss to be $16.8 million.

KEY POINTS

- KULR Technology is an expert in leading-edge lithium battery technology. It provides engineering design and testing services to major defense, EV, space, and commercial users of these batteries. It sells both off-the-shelf and custom batteries as well as innovative battery transportation containers approved by the United States Department of Transportation and United Parcel Services. It serves the high-end market, with battery prices ranging from $300 to $1 million.
- It has three specific major growth drivers:
  - KULR ONE Space provides custom batteries for use in space and is the only commercial company with NASA JSC-20793 certification for human spaceflight applications, which is needed to participate in the Artemis programs. Soon, they will add off-the-shelf batteries that are JSC-20793 compliant at a much lower price point and can compete with standard space batteries for unmanned flights. The company has landed its first Artemis customer and is talking to several others.
  - A KULR ONE Guardian contract with the US ARMY for auxiliary silicon anode lithium-ion batteries for aviation use. The company just sent prototypes this month, and if accepted, KULR expects product orders later this year. These batteries will be retrofitted to current fleets, and the product could eventually be sold to other military branches and be used on all their vehicles, aircraft, and some portable equipment.

- KULR VIBE technology is being applied to fans. This is KULR's patent-protected zero-vibration balancing technology that was designed for and is being used on helicopters. Fans provide a huge potential market and diversify potential revenues to commercial customers who should be quicker to adopt the technology. The company can take any fan and balance it to result in zero vibration. Fans with zero vibration consume less power usage, can run at higher speeds, last longer life, and produce less noise. The company believes this is a billion-unit market opportunity and can be used in many products, including laptops, servers, air conditioners, refrigerators, and cars. It is initially targeting the server fan market where low power usage and higher cooling effect are high priorities due to the high-power usage of AI applications, and it has already signed its first customer.

- It has a robust pipeline of space, defense, and automotive customers working on their next generation of devices. Its engineering services revenues derived from designing and testing new custom products should translate into higher revenue-generating product sales.

- The company recently consolidated most of its operations into a brand-new facility in Texas, close to NASA and many of its other customers. This space, with enhanced testing, better demonstration capabilities, and production facilities, should enable the company to be even more successful in winning new business.

- KULR grew revenues by 146% in 2023, but growth stalled in 2024 as its largest 2023 customer, who contributed 51% of revenues that year, has delayed new orders. Therefore, the company has had to more than double revenues from other customers just to reach flat sales. In 2025, we expect rapid growth to resume. Taking out revenues from this customer in 2023, revenues grew 140% in the first nine months of 2024. The company resumed revenue growth in Q3 2024, and we expect it could double revenues in 2025.

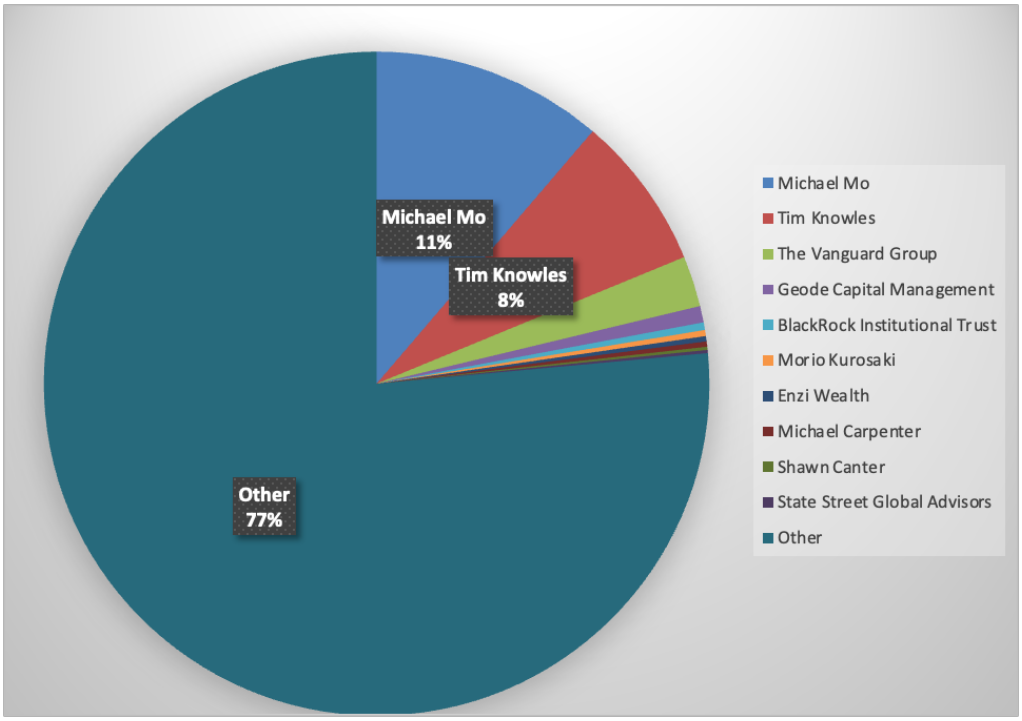
- Based on the average valuation of comparable companies, we believe it deserves an EV-to-sales multiple of 9.4 times sales, resulting in a $0.65 stock price. For 2025, it has estimated sales of $15, and it trades at an EV to 2025 estimated sales ratio of 5.6 times.

OVERVIEW

KULR Technologies is a $84 million market cap company founded in 2013 that became a public company in June of 2021. It recently moved its headquarters to Webster, Texas, from San Diego, where it still maintains an office. It focuses on consulting on, designing, testing, and selling high-end lithium batteries costing between $300 and $1 million. Most of its revenues come from the space industry, where it is the only commercial provider of batteries certified by NASA for use on manned space flights. It also has a robust business serving the US Defense Department with ruggedized and safe batteries for use in aviation and submarines where battery fires are of extreme concern. It has several other initiatives in place that could generate huge upside, particularly its zero-vibration technology and its move to offering lower-cost pre-certified and tested off-the-shelf batteries for various high-end applications.

KULR has 54 employees. In February 2024, its Webster location moved into a much larger 18,000-foot facility, 2.1 miles away from NASA Johnson Space Center and surrounded by many KULR existing and targeted customers. The company performs R&D on lithium-ion battery systems, engineering design, and prototype sandboxing in this new facility. It has a 3D printing room, an electrical room for tab welding operations, an expanded CNC capability, laser welding, and a large warehouse. There, KULR can show customers advanced fractional thermal runaway calorimetry (FTRC), bomb calorimetry, thermal modeling, destructive battery pack testing, and SafeCase verification testing.

OWNERSHIP



VALUATION

KULR Technologies' peers and competitors are valued dramatically differently and range from an EV/2025 Sales of 0.9 times for Beam Global, a provider of battery chargers using solar technology, to 560 times for QuantumScape, the startup with the lead on solid-state lithium-metal batteries. Looking at the average of EV/2025 estimated sales and throwing out the high and the low, we get an average of 9.4 times. Using that ratio and KUHL's estimated 2025 revenues of $15 million, we get an enterprise value and market cap of $141 or approximately $0.65 per share.

Company	Ticker	EPS 24E	EPS 25E	Price	PE 2024E	PE 2025E	Sales Growth Rate	Sales 2024E	Sales 2025E	EV/24 Sales	EV/25 Sales	EV
Amprius Technologies	AMPX	-0.43	-0.40	2.12	-4.9	-5.3	209.1%	21	64	11.0	3.5	227
Aspen Aerogel	ASPN	0.23	0.52	14.28	62.1	27.5	10.9%	450	499	2.8	2.5	1,260
Beam Global	BEEM	-0.77	-0.13	4.24	-5.5	-32.6	51.9%	63	96	0.9	0.6	56
Dragonfly Energy Holdings	DFLI	-0.73	-0.41	0.49	-0.7	-1.2	64.8%	63	103	1.2	0.7	75
EnerSys	ENS	8.41	NA	96.13	11.4	NA	NA	3,581	NA	1.3	NA	4,650
Enovix Corp.	ENVX	-0.81	-0.64	8.48	-10.5	-13.3	85.0%	22	41	71.8	38.8	1,590
Exponent	EXPO	2.17	2.22	97.40	44.9	43.9	5.5%	514	542	9.4	8.9	4,810
QuantumScape	QS	-0.84	-0.77	4.74	-5.6	-6.2	NA	-	3	NA	560.0	1,680
Solid Power Inc.	SLDP	-0.50	-0.48	1.02	-2.0	-2.1	95.4%	18	34	3.5	1.8	61
Average					9.9	1.3				4.8	9.4	

RISKS

- In 2023, KULR had one customer, which was 51% of revenues, which has not bought anything so far in 2024. Management believes that customer may purchase more in the future as KULR is designed into its safety-certified product, which cannot be altered without losing the certification. It had initial production problems making its product, which has set back the sales timeline, and that customer is still burning off its initial inventory order.

- KULR had three customers who provided over 10% of revenues for the first nine months of 2024. One was 14%, one 13%, and the third 10%. Only one was a customer in last year's first nine months. In the nine months ending September 30th, 2023, 59% of revenues came from the one customer previously mentioned, who is expected to provide no revenue this year.

- The company competes against many large, better-funded companies. Customers may be hesitant to buy from a small, money-losing startup.

- KULR's business has many large customers that can affect quarterly revenues. That, combined with its small revenue base, makes visibility difficult and revenues and earnings hard to forecast. The company has disappointed investors in the past, not living up to expectations.

- The company is funding its losses by selling stock, diluting current shareholders.

INCOME STATEMENT

	March Q1 23	June Q2 23	Sept Q3 23	Dec Q4 23	March Q1 24	June Q2 24	Sept Q3 24	Dec Q4 24E	2022	2023	2024E	2025E
Product Sales	1.6	2.0	1.9	1.4	0.6	1.1	0.8	1.4	2.6	6.9	3.9	7.0
Contract Services	0.1	0.3	1.1	1.4	0.5	1.2	1.4	1.4	1.4	2.9	4.5	8.0
IP License	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	1.0	0.0
REVENUE	1.8	2.7	3.0	2.3	1.7	2.4	3.2	2.8	4.0	9.8	10.2	15.0
Yr-to-yr Gr.	778%	359%	118%	29%	-1%	-10%	5%	20%	66%	146%	3%	48%
OPERATING EXPENSES												
Cost of goods sold	1.1	1.7	1.7	1.7	1.2	1.9	0.9	2.1	1.6	6.2	6.1	10.0
Gross Margin	0.6	1.0	1.3	0.7	0.5	0.6	2.3	0.7	2.4	3.7	4.0	5.0
% of Sales	36.6%	37.2%	44.0%	29.3%	29.2%	23.5%	70.9%	25.0%	59.2%	37.3%	39.7%	33.6%
R&D	1.8	1.4	1.6	1.3	1.0	1.3	1.2	1.3	4.2	6.2	4.8	4.8
SG&A	5.1	5.6	4.8	4.4	4.2	4.6	2.7	3.3	16.5	19.9	14.9	15.3
One-time charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tot Operating Exp.	6.9	7.0	6.4	5.7	5.2	5.9	4.0	4.6	20.7	26.1	19.6	20.1
Operating Income	(6.3)	(6.0)	(5.1)	(5.1)	(4.7)	(5.3)	(1.7)	(3.9)	(18.3)	(22.4)	(15.6)	(15.1)
Interest expense, net	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.0)	(0.0)	(0.0)	(0.9)	(0.7)	(0.2)	0.0
Gain on forgiveness of PPP loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Amortization of debt discount	(0.2)	(0.2)	(0.2)	0.0	(0.2)	(0.5)	(0.3)	0.0	(0.5)	(0.7)	(1.0)	0.0
Loss on debt extinguishment	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0
Change in fair value of accrued iss	0.1	0.1	(0.0)	0.1	(0.0)	(0.0)	0.0	0.0	0.1	0.2	(0.0)	0.0
Total other income	(0.3)	(0.3)	(0.5)	(0.1)	(0.4)	(0.6)	(0.3)	(0.0)	(1.2)	(1.3)	(1.2)	0.0
Profit before tax	(6.6)	(6.3)	(5.6)	(5.2)	(5.0)	(5.9)	(2.0)	(3.9)	(19.4)	(23.7)	(16.8)	(15.1)
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
Tax Rate	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	(6.6)	(6.3)	(5.6)	(5.2)	(5.0)	(5.9)	(2.0)	(3.9)	(19.4)	(23.7)	(16.8)	(15.1)
Deemed dividend to Series D	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GAAP Net income	(6.6)	(6.3)	(5.6)	(5.2)	(5.0)	(5.9)	(2.0)	(3.9)	(19.4)	(23.7)	(16.8)	(15.1)
Yr-to-yr Gr.	60%	21%	0%	16%	-24%	-7%	-64%	-24%	34%	22%	-29%	-11%
Stock-based comp	0.9	1.0	0.8	0.8	0.8	1.8	0.1	0.1	4.2	3.5	2.7	1.9
One-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-GAAP Net Income	(5.7)	(5.4)	(4.7)	(4.4)	(4.2)	(4.1)	(1.9)	(3.9)	(15.3)	(20.2)	(14.1)	(13.2)
GAAP primary EPS	($0.06)	($0.05)	($0.05)	($0.04)	($0.04)	($0.03)	($0.01)	($0.02)	($0.18)	($0.20)	($0.09)	($0.07)
Adj Non-GAAP EPS	($0.05)	($0.05)	($0.04)	($0.04)	($0.03)	($0.02)	($0.01)	($0.02)	($0.14)	($0.17)	($0.08)	($0.06)
	61%	25%	-9%	11%	-42%	-51%	-75%	-48%		19%	-55%	-25%
Primary Share Out	112.9	115.4	117.1	126.0	142.4	181.5	194.5	214.2	105.7	117.8	183.1	228.0
Yr-to-yr Gr.	10%	10%	11%	15%	26%	57%	66%	70%		12%	55%	24%
All in shares	122.4	135.0	148.0	162.9	150.5	190.4	201.4	221.2	120.7	154.7	191.8	236.1
Yr-to-yr Gr.	11%	20%	30%	30%	23%	41%	36%	36%		28%	24%	23%

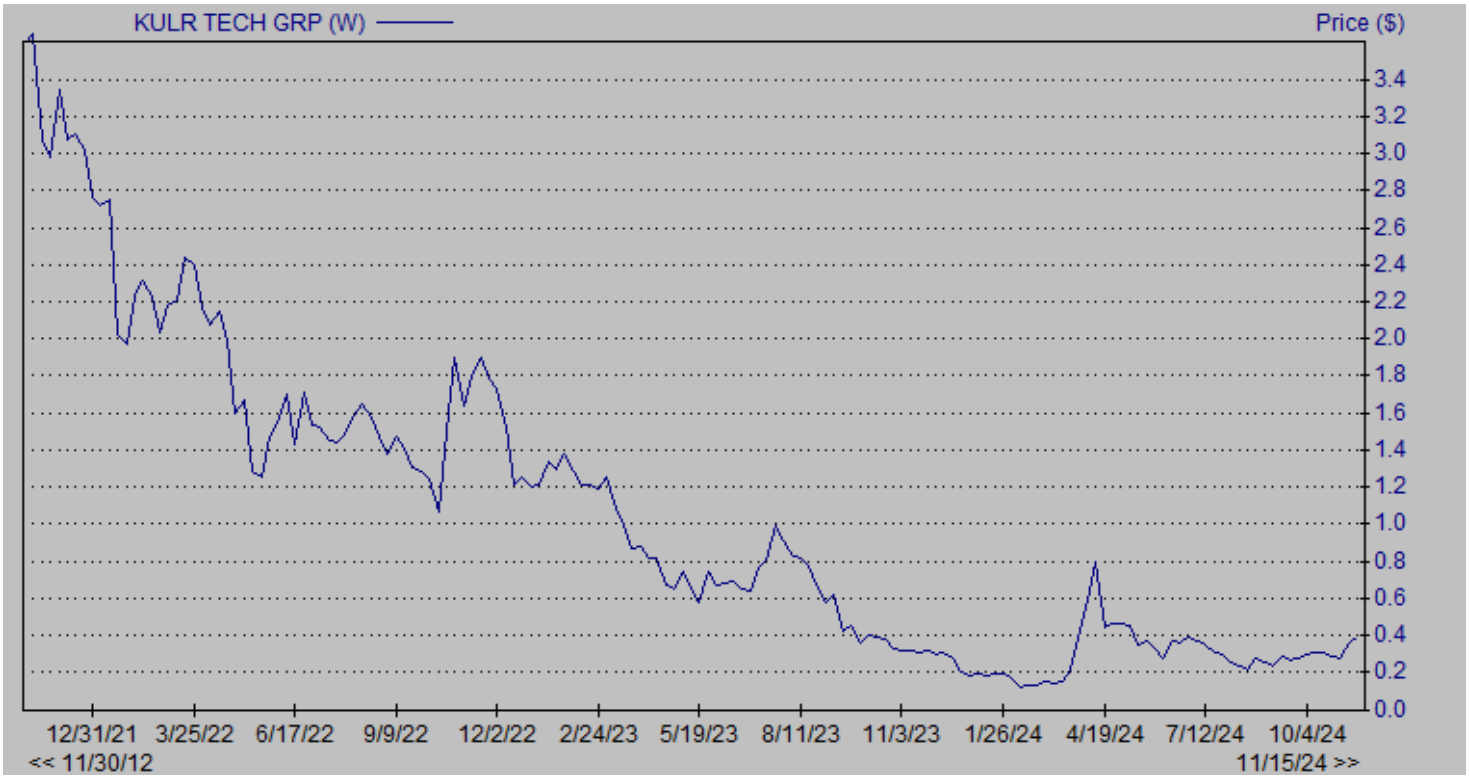
BALANCE SHEET

	Sept 30, 2024	June 30, 2024	Qtr-Qtr % Change	Sept 30, 2023	Yr-Yr % Change
CURRENT ASSETS					
Cash and cash equivalents	**$912,417**	**$1,016,943**	-10.3%	**$1,167,315**	-21.8%
Accounts receivable	2,682,940	1,927,203	39.2%	1,296,811	106.9%
Inventories	606,255	535,196	13.3%	1,551,399	-60.9%
Inventory deposits	20,925	10,883	92.3%	91,033	-77.0%
Prepaid expenses and other	603,528	375,756	60.6%	945,303	-36.2%
Total current assets	4,826,065	3,865,981	24.8%	5,051,861	-4.5%
Accounts recievable, non-current	366,274	0	NA	0	NA
Property & equipment, net	3,538,126	3,774,695	-6.3%	4,909,766	-27.9%
Equipment deposits	1,355,174	1,360,092	-0.4%	1,615,286	-16.1%
Security deposits	98,371	98,371	0.0%	10,228	861.8%
Intangible assets	612,673	648,247	-5.5%	754,968	-18.8%
Right of use asset	1,332,941	1,478,413	-9.8%	193,210	589.9%
Finance lease right-of-use asset	6,992	0	NA	0	NA
Deferred offering costs	218,196	166,651	30.9%	71,818	203.8%
TOTAL ASSETS	12,354,812	11,392,450	8.4%	12,607,137	-2.0%
CURRENT LIABILITIES					
Accounts payable	1,154,740	1,060,694	8.9%	1,813,191	-36.3%
Accrued expenses and other	3,220,431	3,750,871	-14.1%	3,018,326	6.7%
Accrued issuable equity	76,641	82,116	-6.7%	98,540	-22.2%
Lease liability	505,516	487,369	3.7%	172,569	192.9%
Finance lease liability	2,443	0	NA	0	NA
Note payable	**991,281**	**641,745**	54.5%	**0**	NA
Prepaid advance liability, net	0	0	0.0%	5,910,405	-100.0%
Deferred revenue	32,768	224,664	-85.4%	393,934	-91.7%
Total current liabilities	5,983,820	6,247,459	-4.2%	11,406,965	-47.5%
Lease liability, non current	925,886	1,059,898	-12.6%	0	NA
Finance lease liability	4,475	0	NA	0	NA
Note payable, non-current	**266,604**	**250,000**	6.6%	**0**	NA
Prepaid advance liability, net	**0**				
Total liabilities	7,180,785	7,557,357	-5.0%	11,406,965	-37.0%
Preferred stock	73	73	0.0%	0	NA
Common stock	20,131	18,809	7.0%	12,770	57.6%
Additional paid-in capital	84,640,807	81,299,431	4.1%	62,577,789	35.3%
Treasury stock	(296,222)	(296,222)	0.0%	(296,222)	0.0%
Accumulated deficit	(79,190,762)	(77,186,998)	2.6%	(61,094,165)	29.6%
SHAREHOLDERS' EQUITY	5,174,027	3,835,093	34.9%	1,200,172	331.1%
TOTAL LIABILITIES AND EQUITY	12,354,812	11,392,450	8.4%	12,607,137	-2.0%
Current Ratio	0.8	0.6	30.3%	0.4	82.1%
Quick Ratio	0.7	0.5	32.3%	0.3	129.8%
Working Capital	(1,157,755)	(2,381,478)	-51.4%	(6,355,104)	-81.8%
Cash and equivalents	912,417	1,016,943	-10.3%	1,167,315	-21.8%
Change in cash	(104,526)	218,100	-147.9%	(153,336)	-31.8%
Debt	1,257,885	891,745	41.1%	0	NA
Debt Percent of Assets	10%	8%	30.1%	0%	NA

CASH FLOWS

	Year 2022	3-Mo 31-Mar-23	3-Mo 30-Jun-23	3-Mo 30-Sep-23	3-Mo 31-Dec-23	Year 2023	3-Mo 31-Mar-24	3-Mo 30-Jun-24	3-Mo 30-Sep-24
CASH FLOWS - OPERATING ACTIVITIES									
Net profit (loss)	$ (19,436,479)	$ (6,602,861)	$ (6,334,992)	$ (5,562,274)	$ (5,193,429)	$ (23,693,556)	$ (5,008,876)	$ (5,890,528)	$ (2,003,764)
Income and non-cash expense items:									
Amortization of debt discount	511,825	246,320	214,554	234,899	34,457	730,230	175,080	527,196	278,013
Non-cash lease expense	193,106	61,467	62,282	63,136	64,008	250,893	115,117	111,591	104,843
Loss on extinguishment of note payable	8,508	0	0	0	0	0	31,358	0	0
Depreciation and amortization	259,399	250,189	611,897	670,710	681,299	2,214,095	672,867	545,912	319,919
Bad debt expense	15,026	0	0	0	16,978	16,978	0	0	0
Gain on forgiveness of PPP loan	(158,675)	0	0	0	0	0	0	0	0
Change in fair value of accrued issuable equity	(147,035)	(64,108)	(74,079)	(39,800)	10,947	(167,040)	13,002	2,737	(13,437)
Non-cash interest expense	576,932	0	0	0	0		0	0	0
Stock-based compensation	4,175,014	920,155	964,201	846,633	771,747	3,502,736	845,930	909,025	56,201
Inventory write-down	0	0	0	0	293,941	293,941	0	0	0
Loss on disposal of property & equipment	0	0	0	0	0	0	0	20,866	5,624
Changes in assets and liabilities:									
Accounts receivable	(1,420,818)	(112,582)	(933,950)	1,291,839	378,166	623,473	(81,638)	(943,893)	(1,122,011)
Inventories	(1,770,724)	292,401	289,233	(170,998)	108,411	519,047	96,623	517,228	(71,059)
Inventory deposits	(3,072)	20,876	219,656	(46,305)	63,533	257,760	0	16,617	(10,042)
Prepaid expenses and other	(1,324,836)	474,677	(592,325)	785,353	313,942	981,647	124,829	130,776	(227,772)
Security deposits	(1,500)	(5,095)	0	55,308	0	50,213	(88,143)	0	0
Accounts payable	658,715	(715,200)	71,622	540,121	857,513	754,056	(425,563)	(1,342,535)	19,518
Accrued expenses and other	824,826	559,944	469,569	(26,269)	439,446	1,442,690	(16,662)	199,826	(339,133)
Lease liability	(205,034)	(63,363)	(67,316)	(69,509)	(70,383)	(270,571)	(54,139)	(76,699)	(105,369)
Deferred revenue	(109,303)	(21,859)	0	392,793	157,087	528,021	(307,191)	(19,166)	(191,896)
Net cash provided by operating activities	(17,354,125)	(4,759,039)	(5,099,648)	(1,034,363)	(1,072,337)	(11,965,387)	(3,907,406)	(5,291,047)	(3,300,365)
CASH FLOWS - INVESTING ACTIVITIES									
Vendor deposits for the purchase of prop. & eqt.	(1,421,432)	0	(567,332)	(53,775)	(23,856)	(644,963)	0	(27,656)	4,918
Purchases of property & equipment	(2,682,970)	(298,490)	105,846	(44,948)	(28,558)	(266,150)	(13,400)	(121,967)	(52,900)
Purchase of intangible asstes	(543,572)	(60,000)	(75,000)	0	0	(135,000)	0	0	0
Net cash provided by (used in) investing activities	(4,647,974)	(358,490)	(536,486)	(98,723)	(52,414)	(1,046,113)	(13,400)	(149,623)	(47,982)
CASH FLOWS - FINANCING ACTIVITIES									
Proceeds from equity financing	0	0	0	2,875,000	1,035,000	3,910,000	0	0	0
Proceeds from ATM	0	0	0	0	0	0	0	0	3,431,090
Issuance costs on ATM	0	0	0	0	0	0	0	0	(103,718)
Proceeds from the SEPA	250,000	0	0	0	0	0	2,910,651	6,194,299	0
Net proceeds from the prepaid adv. liability	10,573,068	2,000,000	0	0	0	2,000,000	0	0	0
Issuance costs on prepaid advance liability	(85,000)	(30,000)	0	0	0	(30,000)	0	0	0
Repayments of prepaid advance liability	0	0	0	(1,575,000)	0	(1,575,000)	0	0	0
Payment of financing costs	0	0	0	0	0	0	0	0	0
Repayments of notes payable	(1,000,000)	0	0	0	0	0	(349,666)	(1,175,529)	(914,660)
Proceeds from note payable, net	4,750,000	0	0	0	250,000	250,000	963,900	766,100	1,000,000
Payment of issuance costs	(17,200)	0	0	(320,250)	(132,800)	(453,050)	0	(126,100)	(40,000)
Payment of financing costs, SEPA	(72,800)	0	0	0	0	0	0	0	0
Repurchase of common stock	0	0	(229,249)	0	0	(229,249)	0	0	0
Payments for deferred financing costs	0	0	0	0	0	0	0	0	(128,041)
Repayment of finance lease liability	0	0	0	0	0	0	0	0	(850)
Proceeds from the exercise of options	53,457	0	0	0	0	0	0	0	0
Proceeds from the exercise of warrants	3,020,836	0	0	0	0	0	0	0	0
Net cash used in financing activities	17,472,361	1,970,000	(229,249)	979,750	1,152,200	3,872,701	3,524,885	5,658,770	3,243,821
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,529,738)	(3,147,529)	(5,865,383)	(153,336)	27,449	(9,138,799)	(395,921)	218,100	(104,526)
CASH AND CASH EQUIVALENTS - BEGINNING	14,863,301	10,333,563	7,186,034	1,320,651	1,167,315	10,333,563	1,194,764	798,843	1,016,943
CASH AND CASH EQUIVALENTS - END	10,333,563	7,186,034	1,320,651	1,167,315	1,194,764	1,194,764	798,843	1,016,943	912,417
Operating Cash Flow	$ (14,002,379)	$ (5,188,838)	$ (4,556,137)	$ (3,786,696)	$ (3,320,052)	$ (16,851,723)	$ (3,155,522)	$ (3,794,067)	$ (1,258,225)
Free cash flow	$ (18,650,353)	$ (5,547,328)	$ (5,092,623)	$ (3,885,419)	$ (3,372,466)	$ (17,897,836)	$ (3,168,922)	$ (3,916,034)	$ (1,311,125)

HISTORICAL STOCK PRICE



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