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Zacks Small-Cap Research

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POET Technologies Inc. (NASDAQ: POET)

POET: POET Targets a New Market and Lands NTT as a Partner for Mobile Front-Haul Networks

Given its unique product offering and large TAM we believe POET shares are worth $6.75 based on peer multiples, given no further equity dilution than forecast.

Current Price (9/4/25)	$5.26
Valuation	**$6.75**

OUTLOOK

POET Technologies is a startup disrupting the photonics industry with a new technology that eliminates parts of an optical transceiver and replaces them with a single integrated device which is smaller, cheaper, faster, more scalable and with much lower power consumption than the current solutions. Its solution can be produced at wafer scale, eliminating costly manual steps, and allowing it to be easily produced in large quantities and at low cost. In 2024 it raised $81 million to ramp production and restructure the company by buying out its JV partner. Recently, POET demonstrated that its technology could be used as light sources powering the connections between GPUs and memory chips in Artificial Intelligence processors. POET's platform can be applied to many other large fast growing photonics markets including AI, high-speed computing, co-packaged optics, Medtech, augmented reality, LIDAR, and the Internet of Things.

SUMMARY DATA

52-Week High	**$7.59**
52-Week Low	**$2.76**
One-Year Return (%)	**78.7**
Beta	**0.4**
Average Daily Volume (sh)	**1,320,386**
Shares Outstanding (mil)	**90.7**
Market Capitalization ($mil)	**$477**
Short Interest Ratio (days)	**1.7**
Institutional Ownership (%)	**2.0**
Insider Ownership (%)	**0.4**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2025 Estimate	**N/M**
P/E using 2026 Estimate	**N/M**

Risk Level	**High**
Type of Stock	**Small-Growth**
Industry	**Elec Comp-Semis**

ZACKS ESTIMATES

Revenue
(in millions of US$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	$0.2 A	$0.2 A	$0.0 A	$0.1 A	$0.5 A
2024	$0.0 A	$0.0 A	$0.0 A	$0.0 A	$0.0 A
2025	$0.2 A	$0.3 A	$0.4 E	$0.6 E	$1.4 E
2026					$10.0 E

Earnings Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	-$0.14 A	-$0.11 A	-$0.13 A	-$0.13 A	-$0.51 A
2024	-$0.12 A	-$0.14 A	-$0.20 A	-$0.43 A	-$0.94 A
2025	$0.08 A	-$0.21 A	-$0.09 E	-$0.09 E	-$0.32 E
2026					-$0.31 E

WHAT'S NEW

POET Targets a New Market and Partners with NTT to Provide a 100G Bidirectional Optical Engine for Mobile Front-Haul Networks

On August 29th, POET announced a partnership with NTT Innovative Devices Corporation (a subsidiary of Japan's leading telecom company) to develop advanced optical engines to power next-generation networks capable of supporting AI applications on mobile devices. This is a significant new market for POET, and working with NTT ensures a large guaranteed customer for the product as it will be used internally as well as sold to others.

POET will begin development work this year and expects to have prototypes ready in 2026. High volume production is anticipated for 2027. POET will develop a 100G bidirectional optical engine for next-generation mobile front-haul networks using its Optical Interposer™ platform and NTT's optical components. This 100G bidirectional optical engine would provide four times more bandwidth efficiency than current devices and promises to disrupt the mobile network industry.

The mobile front-haul network connects the radio access network (RAN) components, specifically the remote radio heads (RRHs) or radio units (RUs), to the baseband units (BBUs) or centralized processing units in a mobile network. It enables efficient data transmission between the radio equipment at cell sites and the centralized or distributed processing units. It is particularly significant for AI-driven applications that demand high bandwidth and low latency.

After years of R&D, marketing, and restructuring, POET is about to enter the production phase, having transferred its equipment from China to Malaysia over the past several months, adding additional equipment that it had purchased from the former Rockley fab. Qualification of the production line is now underway, and samples are being produced and sent to customers for incorporation into finished modules. Those modules are being assembled, tested, and shipped to their customers for qualification. Though somewhat delayed, the company expects that some optical engine purchase orders will be announced by the end of the year. In addition to the already announced order from Celestial AI, we expect to hear from Adtran (ADVA), Mitsubishi, Luxshare, FOIT, Lessengers, and all the other companies with which POET has been working. It is even possible that a few of the Chinese module makers could come on board for 800G products.

Both the Globetronics and NationGate facilities have initiated critical qualification processes. The company confirmed that its operation in Globetronics has already shipped its order backlog of 800G optical engine samples to existing customers. POET expects to ship its backlog of 1.6T samples this quarter.

We are lowering full-year 2025 and 2026 revenue estimates as production progress was disrupted by the move out of China, and orders have not materialized as soon as originally expected, but we believe the company has even greater potential for future revenues based on new markets. Moving out of China and regaining full control has come at a cost, but ultimately will prove to be the correct decision for the long run.

The company will be attending the China International Optoelectronics Expo (CIOE) from September 10th to 12th in Shenzhen. It will feature its Blazar (hybrid laser) and 1.6T transmit optical engines, developed in collaboration with Mitsubishi.

Announcements During Q2

On April 1st, POET demonstrated its latest innovations, POET Teralight™, a line of 1.6T highly integrated transmit and receive optical engines, and the new POET Blazar™, an advanced light source at the Optical Fiber Communications Conference (OFC).

On April 2nd, POET announced it had partnered with Lessengers, based in South Korea, to offer a differentiated 800G DR8 transceiver. The transceiver will include POET's transmit and receive optical engines and Lessengers' "Direct Optical Wiring" (DOW) technology for a cost-effective solution for AI and hyperscale data center applications.

On May 13th, POET appointed Ghazi M. Chaoui, PhD, MBA, its Senior Vice President of Global Manufacturing and Digital Transformation. Dr. Chaoui recently finished a multi-year assignment as Chief Procurement Officer of Coherent Corp.

On June 24th, POET announced that it has signed a Master Agreement, Module Purchase Agreement, and a Deed of Consignment with NationGate Solutions (M) Sdn. Bhd, to manufacture optical engine assemblies for POET in Penang, Malaysia.

On June 25th, POET announced that it won the "AI Hardware Innovation Award" at the 8th annual AI Breakthrough Awards, recognizing POET Teralight (TM), the company's ultra-high-performance line of optical engines. It is the second consecutive year that the AI Breakthrough Awards have recognized POET for its technology.

After the Quarter Ended

Sohail Khan was appointed director and member of the Corporate Governance & Nominating Committee on July 7, 2025. He is a seasoned business executive in high-technology firms with a wide range of experience, from leading startups to running multi-billion-dollar enterprises with extensive M&A experience. Most recently, he was EVP, Wideband Gap Electronics and President of SiC, LLC, divisions of Coherent Corp. He was a member of the board of directors of LightPath Technologies for 16 years, Managing Partner of K5 Innovations LLC, and President & CEO of ViXS Systems Inc., a global fabless semiconductor company, and a member of the board of Intersil Corporation. The size of POET's board was reduced to five members with the retirement of Chris Tsiofas.

On August 27th, POET voluntarily delisted its common shares from the TSX Venture Exchange ("TSXV") to consolidate trading on NASDAQ, where most of its volume had been trading.

Q2 2025 Results

In Q2 2025, POET had revenues of $268,000 versus $4,000 in Q2 2024, primarily from NREs and product samples sales, all of which came from Asia. Total operating expenses were $9.0 million compared to $6.8 million last year.

R&D increased by $1.0 million (49%) to $3.2 million in Q2 2025 from $2.1 million in Q2 2024. Due to taking control of SPX. Significant R&D compensation cost was incurred in laying off the SPX workforce as part of its winding-down plan. Additionally, POET established production capacity and capabilities with two new facilities in Malaysia and incurred significant costs. Depreciation and amortization increased by $283,000 (56%) to $793,000 in Q2 2025. Many new assets were placed in operations in the latter part of 2024 and into Q2 2025. Professional fees increased by $195,744 (53%) to 562,583 in Q2 2025 from $366,839 in Q2 2024. Professional fees in 2025 included the remaining cost of the year-end audit, which was filed in late March 2025. Additionally, POET incurred the cost of two audit firms due to the transition from Marcum LLP to Davidson and Company LLP. The Company will pay for the services of two auditors for a minimum of two years. Wages and benefits increased by $262,000 as a result of salary increases over Q2 2024. General expense and rent increased to $1,009,778 in Q2 2025 from $448,357 in Q2 2024. During the period, the company increased its investor relations and marketing initiatives and engaged a new firm to assist with these services during the period. Additionally, POET moved its operations in Singapore to a new and larger facility and paid rent for both facilities during the period. Finance advisory fees were $1,302,464 in Q2 2025 compared to $942,576 in Q2 2024.

The company had a non-cash loss of $7.6 million during Q2 2025, which represents an increase of $6.2 million over Q2 2024, where the non-cash adjustment was a loss $1.4 million. The company issued warrants that are exercisable in a foreign currency in 2023 and throughout 2024. The issuance of those warrants created a derivative liability, which is periodically remeasured and adjusted to reflect the fair value of the warrants.

Other income, including interest, increased to $533,308 in Q2 2025 from $174,911 in Q2 2024 due to higher cash balances. Unrealized foreign exchange loss was $1.4 million in Q2 2025 compared to zero in Q2 2024.

The net loss was $17.3 million compared to a loss of $8.0 million in Q2 2024. This resulted in an IFRS loss per share of $0.21 versus a loss of $0.14 per share last year. On a non-IFRS basis, taking out stock-based compensation and the adjustment of the derivative warrant, the loss was $7.1 million or $0.09 per share, versus $5.0 million, which was also $0.09. The average fully diluted shares outstanding for the quarter were 81.1 million, up 44%.

Balance Sheet

On May 22, 2025, POET completed a non-brokered private placement with a single strategic investor pursuant to which the corporation issued 6 million common shares and one common share purchase warrant exercisable until May 22, 2030, to acquire up to 6 million shares at C$8.32 per warrant share, for aggregate gross proceeds of $30 million. The combined price of one common share and the warrant was $5.00. We do not know who the strategic investor is.

POET Technologies ended the June quarter with $73.1 million in cash and marketable securities and $6.5 million in convertible debentures. Working capital was $ million. Working capital was $35.3 million; however, $29.3 million of current liabilities are non-cash, and $6.5 million of the convertible debt which is presented as current is due between two and five years, making working capital available for operations $71.1 million The company had a negative cash flow (excluding changes in working capital) of $7.9 million for Q2 2025. It spent $2.1 million on capex for equipment in Q2 2025 related to research and development, manufacturing equipment, and patent registration. This resulted in a negative free cash flow of $10.0 million for the quarter. POET is burning about $1.3 million a month. By the end of 2025, it expects the cash burn to increase to about $5 million a quarter as it adds middle management to support operations, including production.

On July 7th, POET sold 5 million units at $5.00 per unit for gross proceeds of $25 million. Each unit is comprised of one share of common stock and one warrant exercisable at C$8.16 for five years. The offering was sold to a single accredited investor in Canada.

As of August 11th, POET had 90.7 million shares outstanding, 27.8 million warrants priced between CA$1.52 and CA$8.39, and 8.9 million options priced between C$1.75 and C$7.19 per common share.

KEY POINTS

- AI has created an accelerated need for faster speeds for hardware and data center communications. As a de facto pure-play in optical engines and transceivers targeting AI hardware and data centers, POET offers a way to invest in the entire AI industry. As a start-up on the cusp of ramping production, we expect the company to grow much faster than the market and the large incumbent players such as Nvidia.

- The Holy Grail in photonics is cost reduction (through efficiencies in process and materials) combined with lower power consumption. Throw in a smaller size and higher performance, and customers should beat a path to your door. POET believes it can provide all four with its proprietary “optical interposer" based on a novel low-loss material that allows multiple components to be integrated into a single package entirely at wafer-scale. What this means is that it can eliminate steps in the labor-intensive assembly process currently used when manufacturing optical transceivers. Manual assembly results in higher scrap rates, longer production times, and higher equipment costs. Also, its base material is far better suited to use in the management of light than silicon due to its lower loss and planar architecture, thus allowing lower-powered lasers, resulting in lower power consumption and the ability to use less expensive lasers. POET hopes to disrupt the current market for photonics devices and have its Optical Engine platform become the standard in the industry.

- Using the end-of-Q2 2025 balance sheet, the stock trades at an enterprise value of approximately $411 million. According to Fortune Business Insights, the optical transceiver market is rising at a CAGR of 16% from $12.6 billion in 2024 to $20.7 billion by 2030 and $42.5 billion by 2032. POET's product is a component of an optical transceiver, and the market is about a third of the transceiver market. If POET can secure even a small portion of that market with its unique offering, its valuation should far exceed its current price. We believe the stock could be worth $6.75 per fully diluted share based on 2027 revenues at 10.2 times EV to Sales, discounted at 15% back to present value.

VALUATION

POET's business model makes it similar to fabless semiconductor companies. Third parties provide the production of their devices, and we expect that it would have margins close to those of the companies below. If we throw out NVIDIA as an outlier, they average 10.2xs enterprise value to estimated 2025 revenues. To value POET, we need to look at to estimated 2027 revenues of $80 million. Using 10.2xs gives us a market valuation of $883 million. For the valuation, we take the fully diluted share count of 109 million shares. $883 million divided by 109 million shares is approximately $8.10 per share by 2027. This would be a present value of about $6.75, discounted by 15% per year.

		Calendar				EBIDTA	Enterprise Value / Sales			EV/EBITDA	Included	
Company	Ticker	2026E	2025E	LTM	EBITDA	Margin	2026E	2025E	LTM		in Average?	Ent. Value
AMD	AMD	$40,070	$33,010	$29,600	5,510	19%	6.8x	8.2x	9.2x	49.3x	y	271,600
Broadcom	AVGO	NA	$62,770	$57,050	31,110	55%	NA	24.1x	26.5x	48.5x	y	1,510,000
Cirrus Logic	CRUS	NA	$1,881	$1,930	488	25%	NA	2.9x	2.8x	11.2x	y	5,450
Lightwave Logic	LWLG	NA	NA	$94	(20)	NM	NA	NA	NA	-23.0x	n	461
Marvell	MRVL	$9,580	$8,150	$6,500	1,750	27%	6.3x	7.4x	9.2x	34.3x	y	60,000
Monolithic Power Sys	MPWR	$3,170	$2,750	$2,540	705	28%	12.6x	14.5x	15.7x	56.6x	y	39,900
NVIDIA	NVDA	$271,760	$206,650	$165,220	98,280	59%	16.0x	21.1x	26.3x	44.3x	n	4,350,000
Qualcomm	QCOM	NA	$43,570	$43,260	13,870	32%	NA	4.1x	4.1x	12.9x	y	178,280
Average						**20%**	**8.5x**	**10.2x**	**11.3x**	**35.5x**		**916,461**

Fully Diluted Shares Using Treasury Stock Method

Share Outstanding		85,265,009
Warrants		23,068,313
Options		8,961,542
Debentures		
All in shares		117,294,864
Fully diluted shares		117,294,864
Cash raised by warrants and options		58,225,333
Share purchased by cash raised		8,217,417
Current share price $	$	7.09
Fully diluted shares, TS Method		109,077,447

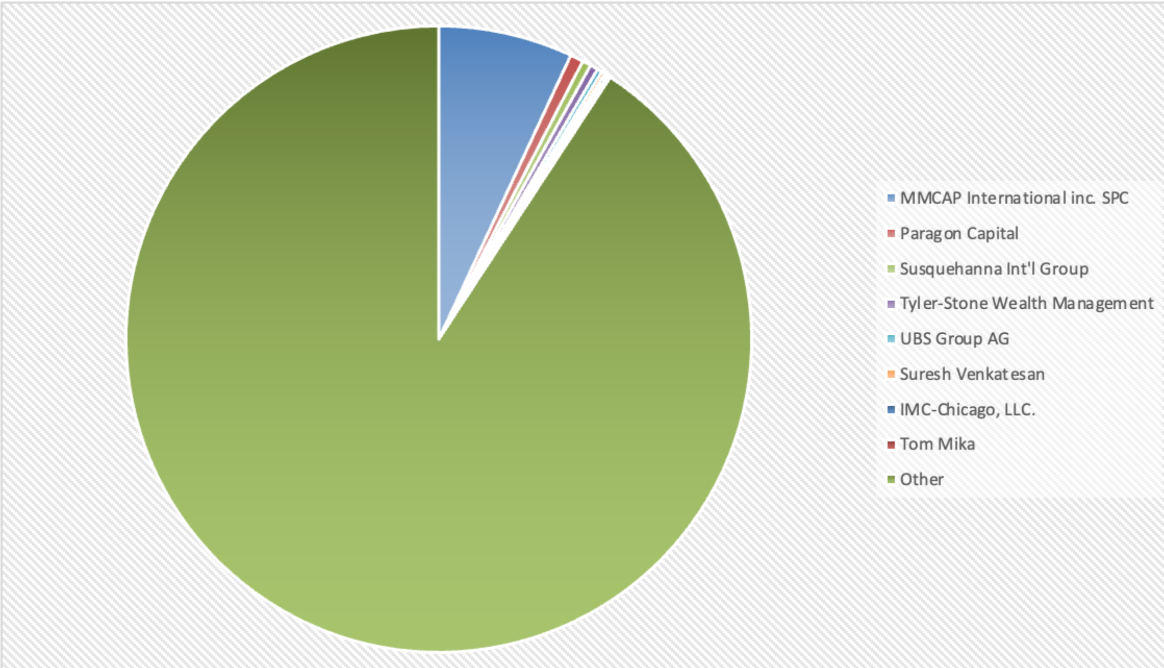
Warrant and Option Stack
30-Jun-25

Expiration	Type	Holder	Ave. Strike Price CAD	Ave. Strike Price USD	Number	Value CAD	Value USD
2026	Options	Employee	$ 1.75	$ 1.23	152,500	$ 266,875	$ 187,940
2027	Options	Employee	$ 1.75	$ 1.23	570,937	$ 999,140	$ 703,620
2028	Options	Employee	$ 1.75	$ 1.23	628,117	$ 1,099,205	$ 774,088
2029	Options	Employee	$ 1.75	$ 1.23	823,957	$ 1,441,925	$ 1,015,440
2030	Options	Employee	$ 1.75	$ 1.23	643,440	$ 1,126,020	$ 792,972
2031	Options	Employee	$ 1.75	$ 1.23	483,919	$ 846,858	$ 596,379
2032	Options	Employee	$ 1.75	$ 1.23	1,553,500	$ 2,718,625	$ 1,914,525
2033	Options	Employee	$ 1.75	$ 1.23	833,690	$ 1,458,958	$ 1,027,435
2034	Options	Employee	$ 1.79	$ 1.26	485,000	$ 868,150	$ 611,373
2034	Options	Employee	$ 5.45	$ 3.84	468,823	$ 2,555,085	$ 1,799,356
2034	Options	Employee	$ 2.68	$ 1.89	1,812,659	$ 4,857,926	$ 3,421,075
2035	Options	Employee	$ 6.12	$ 4.31	505,000	$ 3,090,600	$ 2,176,479
				$ 1.79	8,961,542	21,329,366	15,997,025
2028	Warrants	Offering	$ 1.52	$ 1.07	90,000	$ 136,800	$ 96,338
2029	Warrants	Offering	$ 1.52	$ 1.07	3,536,536	$ 5,375,535	$ 3,785,588
2029	Warrants	Offering	$ 4.26	$ 3.00	5,306,665	$ 22,606,393	$ 15,919,995
2029	Warrants	Offering	$ 4.95	$ 3.49	24,000	$ 118,800	$ 83,662
2029	Warrants	Offering	$ 5.45	$ 3.84	3,333,334	$ 18,166,670	$ 12,793,430
2029	Warrants	Offering	$ 6.78	$ 4.77	2,000,000	$ 13,560,000	$ 9,549,296
				$ 2.95	14,290,535	$ 59,964,198	$ 42,228,308
		Total ITM Options & Warrants			**23,252,077**	**$ 81,293,564**	**$ 58,225,333**
2030	Warrants	Offering	$ 8.32	$ 5.86	6,000,000	$ 49,920,000	$ 35,154,930
2029	Warrants	Offering	$ 8.39	$ 5.91	2,777,778	$ 23,305,557	$ 16,412,364
				$ 5.87	8,777,778	73,225,557	51,567,294
		Total OTM Options & Warrants			**8,777,778**	**$ 73,225,557**	**$ 51,567,294**
		TOTAL OPTIONS OUTSTANDING			8,961,542	$ 21,329,366	$ 15,997,025
		GRAND TOTAL OPTIONS AND WARRANTS OUTSTANDING			32,029,855	$ 154,519,122	$ 109,792,627

RISKS

- POET is a startup with virtually no revenues. It may not be able to close customers if its technology does not work or does not work within the needed parameters.
- Many potential customers may hesitate to do business with a small, money-losing start-up, making market penetration even more difficult.
- The company may take longer to book sales, ramp more slowly, or produce less than expected sales and profits. Ramping production could prove more difficult than expected, and orders may not be received when expected.
- POET's solution is significantly different from that currently used in the industry. For customers to switch, it may take more time than expected to persuade them to leave their legacy methodology.
- A potential worldwide recession or tariffs could impact POET and its customers and suppliers.

OWNERSHIP



INCOME STATEMENT

	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E
Revenue	**$ 8,710**	**$ 0**	**$ 3,585**	**$ 29,132**	**$ 166,760**	**$ 268,469**	**$ 400,000**	**$ 600,000**	**$ 552,748**	**$ 465,777**	**$ 41,427**	**$ 1,435,229**	**$ 10,000,000**
Cost of revenue	0	0	0	0	0	0	0	0	0	0	0	0	5,500,000
Gross margin	8,710	0	3,585	29,132	166,760	268,469	400,000	600,000	552,748	465,777	41,427	1,435,229	4,500,000
Gross margin %	100.0%	NM	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	45.0%
Operating expenses													
Selling, marketing and administration	2,837,553	4,639,358	4,370,148	6,924,362	5,189,062	5,273,193	5,273,193	5,273,193	9,516,271	11,225,219	18,771,421	21,008,641	21,000,000
R&D	2,290,316	2,117,828	2,380,093	4,546,404	4,514,107	3,752,352	3,752,352	3,752,352	10,746,743	9,647,866	11,334,641	15,771,163	12,000,000
Operating expenses	5,127,869	6,757,186	6,750,241	11,470,766	9,703,169	9,025,545	9,025,545	9,025,545	20,263,014	20,873,085	30,106,062	36,779,804	33,000,000
Operating income	(5,119,159)	(6,757,186)	(6,746,656)	(11,441,634)	(9,536,409)	(8,757,076)	(8,625,545)	(8,425,545)	(19,710,266)	(20,407,308)	(30,064,635)	(35,344,575)	(28,500,000)
Impairment and other loss	0	0	0	(6,852,687)	0	0	0	0	0	0	(6,852,687)	0	0
Derivative liability adjustment	0	(1,376,761)	0	1,376,761	15,382,971	0	0	0	0	(24,865)	0	15,382,971	0
Interest expense	(19,753)	(20,833)	(30,482)	(31,605)	(32,786)	(30,925)	0	0	(49,738)	(70,182)	(102,673)	(63,711)	0
Unrealized foreign exchange	0	0	0	0	0	(1,448,691)	0	0	0	0	0	(1,448,691)	0
Other plus Interest income	52,558	174,911	216,337	504,150	527,782	533,308	400,000	220,000	188,320	234,990	947,956	1,681,090	200,000
FV adjustment to derivative warrant	(629,824)	0	(6,179,836)	(13,821,422)	0	(7,559,991)	0	0	0	0	(20,631,082)	(7,559,991)	0
Forgiveness of COVID govt loans	0	0	0	7,298	0	0	0	0	0	0	7,298	0	0
Impact of joint venture (75.2% owned)	0	0	0	0	0	0	0	0	(3,211,993)	(527,857)	0	0	0
Gain on contribution of IP to JV	0	0	0	0	0	0	0	0	1,746,987	527,857	0	0	0
Pretax loss	**(5,716,178)**	**(7,979,869)**	**(12,740,637)**	**(30,259,139)**	**6,341,558**	**(17,263,375)**	**(8,225,545)**	**(8,205,545)**	**(21,036,690)**	**(20,267,365)**	**(56,695,823)**	**(27,352,907)**	**(28,300,000)**
Income tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Net loss	(5,716,178)	(7,979,869)	(12,740,637)	(30,259,139)	6,341,558	(17,263,375)	(8,225,545)	(8,205,545)	(21,036,690)	(20,267,365)	(56,695,823)	(27,352,907)	(28,300,000)
Non-IFRS net loss	(4,768,676)	(5,011,367)	(5,035,670)	(9,556,796)	(8,199,620)	(7,089,211)	(7,060,063)	(7,040,063)	(16,600,086)	(16,041,056)	(23,742,685)	(29,388,957)	(23,800,000)
Basic and diluted net loss per share	$ (0.12)	$ (0.14)	$ (0.20)	$ (0.43)	$ 0.08	$ (0.21)	$ (0.09)	$ (0.09)	$ (0.57)	$ (0.51)	$ (0.94)	$ (0.32)	$ (0.31)
Yr-to-yr growth	-10.2%	29.1%	54.4%	223.9%	-166.0%	50.5%	-53.6%	-78.8%	26.2%	11.4%	64.4%	-43.9%	-2.9%
Non-IFRS loss per share	(0.10)	(0.09)	(0.08)	(0.13)	(0.10)	(0.09)	(0.08)	(0.08)	(0.45)	(0.40)	(0.39)	(0.35)	(0.26)
Share outstanding (millions)	46.6	56.4	65.2	70.9	78.2	81.1	90.7	90.7	36.7	40.1	60.2	85.2	90.7
Yr-to-yr growth	20.8%	40.9%	60.7%	70.8%	68.1%	43.7%	39.2%	28.0%	6.4%	16.1%	64.0%	131.9%	6.5%

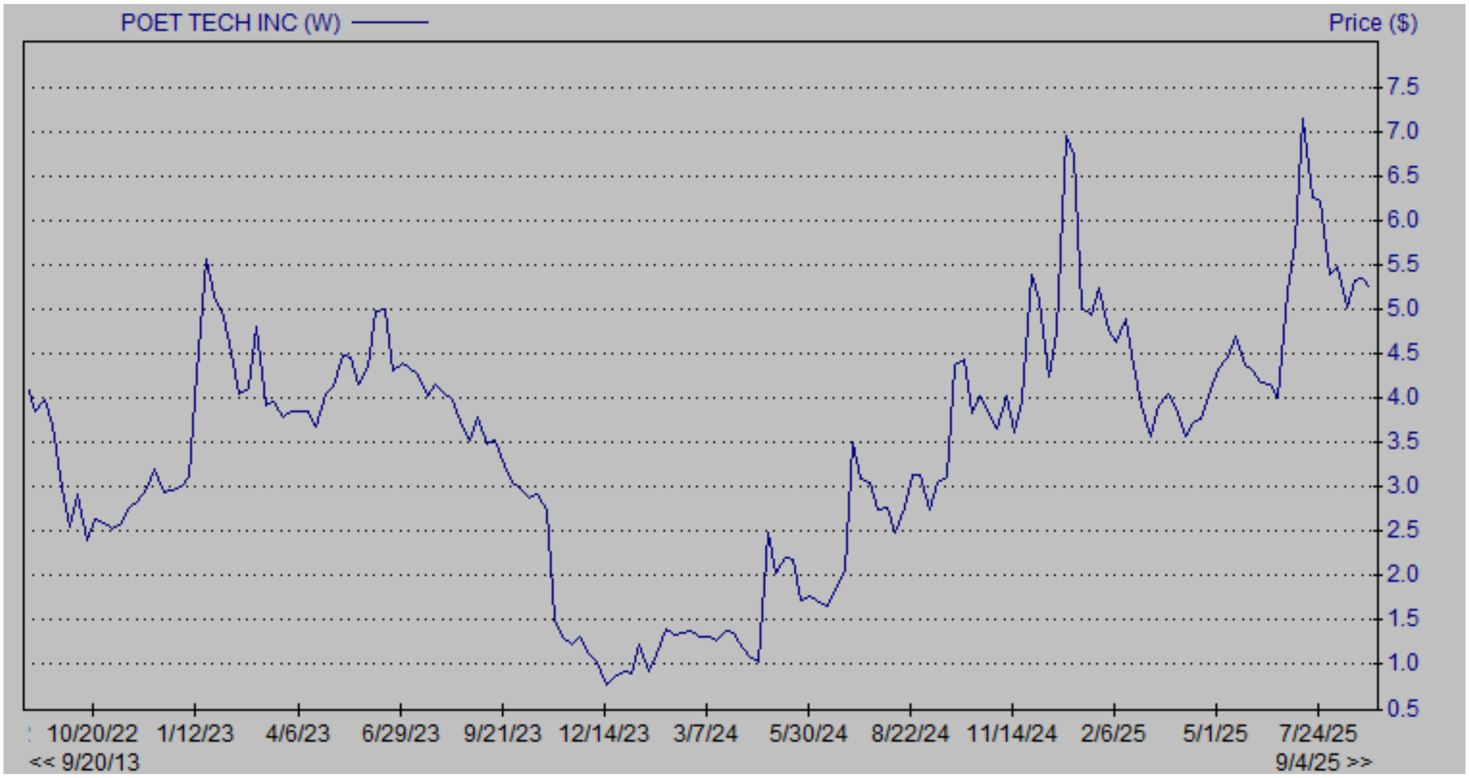
CASH FLOWS

US Dollars	2022	2023	Mar. 31, 2024	Jun. 30, 2024	Sep. 30, 2024	Dec. 31, 2024	2024	Mar. 31, 2025	Jun. 30, 2025
OPERATING ACTIVITIES									
Net loss	$ (21,036,690)	$ (20,267,365)	$ (5,716,178)	$ (7,979,869)	(12,740,537)	(30,259,239)	$ (56,695,823)	$ 6,341,558	$ (17,263,375)
Adjustments for:									
Depreciation of property and equipment	1,054,264	1,653,798	436,201	436,640	451,744	389,101	1,713,686	634,080	722,928
Amortization of patents and licenses	80,246	87,761	22,283	22,653	107,277	(59,869)	92,344	69,116	(20,917)
Amortization of right of use assets	158,648	180,602	50,719	50,463	(33,066)	146,049	214,165	23,672	90,803
FV adjustment to der. warrant liability	0	24,865	629,824	1,376,761	6,179,836	12,444,661	20,631,082	(15,382,971)	7,559,991
Non-cash interest	49,738	53,614	19,753	20,833	17,852	31,603	90,041	19,120	44,591
Stock-based compensation	4,436,604	4,201,444	947,502	1,591,741	1,525,131	1,404,995	5,469,369	841,793	1,165,482
Other non-cash items	0	0	0	0	0	0	0	0	189,560
Unrealized exchange gains	0	0	0	0	0	0	0	0	(350,497)
Non-cash settled operating costs	40,029	0	0	0	0	(18,766)	(18,766)	0	0
Gain on lease modification	0	0	0	0	0	0	0	(10,978)	10,978
Loss on acquisition of 24.8% of SPX	0	0	0	0	0	6,852,687	6,852,687	0	0
Gain on contribution of IP to JV	(1,746,987)	(1,031,807)	0	0	0	0	0	0	0
Share of loss in JV	3,211,993	1,031,807	0	0	0	0	0	0	0
Forgiveness of COVID loans	0	0	(7,417)	56	11	52	(7,298)	0	0
Net change in non-cash working capital accounts:									
Accounts receivable	(61,099)	62,000	0	0	0	(7,257)	(7,257)	0	0
Prepaid and other current assets	(356,199)	126,936	(158,818)	(316,008)	(868,033)	(316,756)	(1,659,615)	(217,086)	(96,155)
Accounts payable and accrued liabilities	1,596,690	(1,256,925)	(828,751)	302,400	(142,878)	703,303	34,074	(1,572,732)	482,503
Contract liabilities	246,853	(274,192)	0	0	0	0	0	274,926	(274,926)
Cash flows from operating activities	(12,325,910)	(15,407,462)	(4,604,882)	(4,494,330)	(5,502,663)	(8,689,436)	(23,291,311)	(8,979,502)	(7,739,034)
INVESTING ACTIVITIES									
Purchase of short-term investments	0	0	0	0	0	0	0	(16,096,218)	(25,482,380)
Maturity of short-term investments	6,366,828	0	0	0	0	(16,672,811)	(16,672,811)	0	0
Purchase of property and equipment	(3,011,562)	(1,167,953)	(49,063)	(1,863,325)	(947,077)	(3,922,250)	(6,781,715)	(522,523)	(2,065,295)
Purchase of patents and licenses	(62,475)	(79,111)	(53,352)	0	(75,558)	(68,087)	(196,997)	0	(46,537)
Long term deposit	0	0	0	0	0	(107,890)	(107,890)	0	0
Cash received on acquisition	0	0	0	0	0	97,833	97,833	0	0
Cash flows from investing activities	3,292,791	(1,247,064)	(102,415)	(1,863,325)	(1,022,635)	(20,673,205)	(23,661,580)	(16,618,741)	(27,594,212)
FINANCING ACTIVITIES									
Repayment of covid loan	0	0	(22,251)	168	33	156	(21,894)	0	0
Issue of common shares for cash, net	3,639,722	10,447,603	5,261,651	24,285,219	26,846,450	25,782,860	82,176,180	4,352,685	31,273,000
Payment of lease liability	(204,518)	(252,103)	(67,053)	(70,699)	(71,760)	(46,441)	(255,953)	(35,289)	(64,159)
Cash flows from financing	3,435,204	10,195,500	5,172,347	24,214,688	26,774,723	25,736,575	81,898,333	4,317,396	31,208,841
EFFECT OF EX RATE ON CASH	(114,015)	248,250	(50,262)	(28,764)	271,348	(1,013,074)	(820,752)	37,513	588,940
NET CHANGE IN CASH	(5,711,930)	(6,210,776)	414,788	17,828,269	20,520,773	(4,639,140)	34,124,690	(21,243,334)	(3,535,465)
CASH AND CASH EQUIVALENTS, beg.	14,941,775	9,229,845	3,019,069	3,433,857	21,262,126	41,782,899	3,019,069	37,143,759	15,900,425
CASH AND CASH EQUIVALENTS, end	9,229,845	3,019,069	3,433,857	21,262,126	41,782,899	37,143,759	37,143,759	15,900,425	12,364,960
Cash flow	(13,752,155)	(14,065,281)	(3,617,313)	(4,480,722)	(4,491,752)	(9,068,726)	(21,658,513)	(7,464,610)	(7,850,456)
Free cash flow	(16,826,192)	(15,312,345)	(3,719,728)	(6,344,047)	(5,514,387)	(13,059,063)	(28,637,225)	(7,987,133)	(9,962,288)

BALANCE SHEET

	June 30, 2025	Mar 31, 2025	Qtr-Qtr % Growth	June 30, 2024	Yr-Yr % Growth
Current					
Cash and cash equivalents	**$ 12,364,960**	**$ 15,900,425**	-22%	**$ 21,262,126**	-42%
Short-term investments	**60,688,044**	**32,741,545**	85%	**0**	NA
Prepaids and other current assets	1,908,202	1,986,758	-4%	618,753	208%
Current Assets	74,961,206	50,628,728	48%	21,880,879	243%
Long term deposit	115,681	117,192	-1%	0	NA
Property and equipment	13,266,167	12,804,727	4%	5,550,824	139%
Patents and licenses	605,046	583,036	4%	510,471	19%
Right of use asset	727,370	739,727	-2%	372,165	95%
Total Assets	89,675,470	64,873,410	38%	28,314,339	217%
Liabilities					
Accounts payable and accrued liabilities	3,654,699	4,475,780	-18%	1,732,860	111%
Lease liability	147,877	254,204	-42%	180,291	-18%
Derivative warrant liability	29,328,610	20,342,530	44%	1,348,039	2076%
Convertible debentures	**6,500,000**	**6,500,000**	0%	**0**	NA
Contract liabilities	0	276,072	-100%	0	0%
Current Liabilities	39,631,186	31,848,586	24%	3,261,190	1115%
Lease liability	678,878	568,613	19%	224,157	203%
Total liabilities	40,310,064	32,417,199	24%	3,485,347	1057%
Shareholders' Equity					
Share capital	243,889,697	230,363,129	6%	186,255,095	31%
Warrants & comp options	29,219,025	9,343,000	213%	11,281,383	159%
Contributed surplus	58,513,941	59,179,629	-1%	57,995,920	1%
Accumulated other comprehensive loss	(348,592)	(1,784,257)	-80%	(2,716,334)	-87%
Deficit	(281,908,665)	(264,645,290)	7%	(227,987,072)	24%
Shareholder's Equity	49,365,406	32,456,211	52%	24,828,992	99%
Tot Liabilities and Share. Equity	$ 89,675,470	$ 64,873,410	38%	$ 28,314,339	217%
Cash and short-term investments	$ 73,053,004	$ 48,641,970	50%	$ 21,262,126	244%
Cash per share	$ 0.81	$ 0.62	30%	$ 0.38	114%
Current ratio	1.9	1.6	19%	6.7	-72%
Working capital	35,330,020	18,780,142	88%	18,619,689	90%
Debt	6,500,000	6,500,000	0%	0	NA

HISTORICAL STOCK PRICE



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