

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Lisa Thompson
312-265-9154
LThompson@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

Perfect Corp

(NYSE: PERF)

PERF: Perfect Corp.'s Generative AI App Revenues Continue to Beat Expectations While the B2B Business Stabilizes

We believe PERF stock is worth at least \$3.60 per share based on the average EV/Sales ratio of 2.8xs, or half its peer group of AI-based SaaS providers. Its cash hoard of \$170 million (\$1.67 a share) distorts its valuation, an EV of \$31 million.

Current Price (10/27/25) \$1.97
Valuation \$3.60

OUTLOOK

Perfect Corp. provides an AI and machine learning based B2B SaaS platform for virtual try on and marketing of beauty and fashion products as well as seven mobile apps sold B2C for makeup suggestions, try-on, tutorials, photo and video editing, Gen AI creation and editing and AI Chat. It is expanding its offering to new verticals and has strong IP as well as the largest database for AI training in the industry. This year it bought the leading fashion try-on provider to expand to that vertical. It has a dominant market share and serves almost all the major beauty brands worldwide, and now many of the couture fashion brands. We believe its technology can be used in a much wider range of applications and even licensed to companies beyond Beauty and Fashion industries.

SUMMARY DATA

52-Week High \$3.26
52-Week Low \$1.61
One-Year Return (%) -2.1
Beta 0.5
Average Daily Volume (sh) 163,766

A+B Shares Out. (mil) 101.8
Market Capitalization (\$mil) \$200
Short Interest Ratio (days) 0.3
Institutional Ownership (%) 55.0
Insider Ownership (%) 60.0

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 35.3
P/E using 2025 Estimate 32.7
P/E using 2026 Estimate 22.0

Risk Level

Type of Stock
Industry

Average
Small Value
Software & Services

ZACKS ESTIMATES

Revenue (in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	12 A	13 A	15 A	14 A	54 A
2024	14 A	14 A	16 A	16 A	60 A
2025	16 A	16 A	19 A	19 E	70 E
2026					80 E

Earnings Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	\$0.01 A	-\$0.00 A	\$0.03 A	\$0.02 A	\$0.05 A
2024	\$0.01 A	\$0.01 A	\$0.03 A	\$0.01 A	\$0.05 A
2025	\$0.02 A	\$0.00 A	\$0.02 A	\$0.02 E	\$0.06 E
2026					\$0.09 E

App Revenues Continue to Beat Expectations While the B2B Business Stabilizes

In Q3 2025, Perfect Corp. generated record revenues of \$18.7 million, up 15.7% from \$16.1 million in the same quarter last year. Again, most of the growth was from the consumer B2C app business as ASPs increased. We are particularly excited about Perfect Corp.'s apps as they have features that cannot be duplicated by other app competitors or generic AI Generators like ChatGPT due to the huge database of beauty and fashion products, faces, and the ability to create much more accurate results. This technology and information on 953,000 SKUs flows through to the You Cam AI Agent, which is now conversational. Perfect Corp. allows users to say "put on Nars Morocco lipstick, CHANEL Ombre eyeshadow in Lilas, and show me carrying a Gucci Beatrix large tote in green." Surely a differentiator.

Mobile subscriber numbers decreased 3% year over year, and also decreased sequentially to 946,000. Despite the decline in subscribers, revenues increased as ASPs rose from between \$40-42 last year to about \$59-60 this year. Premium pricing had been \$39 a year with small price increases each year, but the company now offers a higher pricing tier at \$79 annually for those wanting more usage and even higher features. While ASPs could go slightly higher, it all depends on customer usage increases as well as competitors' pricing.

Revenues from the company's API are also growing, and many customers are coming from outside the beauty and fashion industry. The API lets customers integrate Perfect Corp.'s proprietary AI, Generative AI, and AR technologies directly into their own products and services. Management has come across many innovative uses. For example, one 24-hour convenience store in Taiwan uses the API to add generative AI to its photobooth/kiosk options, increasing customers' demand for photos. In Japan, a retailer has added generative AI to its traditional smart mirrors. Even a fortune-telling website has added Perfect Corp.'s skincare API, which we know very accurately can tell a person's age (among other things), to enhance its capabilities. These customers pay on a per-usage basis.

Apparel try-on (B2B) is now fully integrated into the company's platform, and shoes and bags are the success story to date. Customers have been slow to add this try-on technology, and a number are still in pilots. It is clear now that generative AI gives much better results than trying to use augmented reality (AR). Being able to see how a piece of clothing actually looks on you before you buy it seems to be such a no-brainer; we are surprised brands and retailers have yet to roll it out. It clearly is the future. The company's B2B business has stabilized as it added a net of three key customers sequentially. This is the first uptick since 2023. New customers were added in makeup and skincare.

The app revenue growth dragged down gross margin percentage year over year, but on a dollar basis, gross margin rose \$1.2 million. Despite a slight increase in expenses primarily from the acquisition of WANNA, the company achieved positive operating income for the quarter and expects to stay there going forward.

Cash and equivalents increased \$1.6 million to \$170 million or \$1.67 per share. As the company intends to stay profitable and cash flow positive, it is considering the possibility of issuing cash dividends in the future. The company maintained its guidance of a year-over-year total revenue growth rate of 13% to 14.5% for 2025 compared to 2024, yielding \$69 million in revenues. There is a good chance the company can beat that number, given current trends. As a profitable AI-based SaaS company, we believe it deserves an EV-to-sales multiple of at least 2.8 times 2025 sales and a stock price of \$3.60.

During the quarter

On September 24th, Perfect Corp. announced an AI Editing Agent for YouCam Perfect, allowing easy and conversational photo editing. Perfect's technology allows users to change specific parts without regenerating the entire image, as current chat-based editing typically does. Competitors also have a hard time maintaining

consistency when generating realistic styles, with faces frequently diverging from the original photo. Perfect Corp. also solves that problem. The AI Editing Agent is available in the latest versions of YouCam Perfect and YouCam Makeup for iOS and is the first of several AI-powered agents coming to the YouCam Apps series.

After the Quarter Ended

On October 2nd, Perfect Corp. released an update to its virtual try-on for glasses with a new in-platform product library featuring over 13,000 pre-loaded glasses SKUs. Previously, glasses brands were required to manually upload and prepare three separate images for each product—one for the frame and two for the temples—to enable virtual try-on. With this new update, Perfect Corp. allows retailers to directly obtain products from the newly launched Glasses SKU library. This extensive collection allows many brands to find their existing products and quickly implement the Virtual Glasses Try-On service.

Q3 2025 Earnings Results

Revenues for the September quarter were \$18.7 million versus \$16.1 million, showing growth of 15.7%. Of that \$18.7 million, \$15.7 million was from AI- and AR-cloud solutions and subscription revenue, up from \$13.4 million last year, representing a 17.2% increase. The rest of the revenues were from licensing and advertising. Licensing comes from B2B customers and was \$3.0 million compared with the previous year, at \$2.7 million. The company is trying to shift customers away from that payment model, but some customers prefer to keep it. The company does not report mobile app revenue every quarter, but had anticipated it would be 60-70% of total sales in 2025. We expect that percentage to be over 70, given current trends.

The gross margin for the quarter was 75.8%, down from 80.3% in Q3 2024 and also down sequentially. This is due to mobile app revenue growing faster than B2B, which has much lower gross margins due to the fees charged by the app stores. Gross margin dollars increased \$1.2 million, or 9.2%. The company said that active mobile app subscribers declined 3% year over year, reaching 946,000, while net key customers in Q3 decreased to 142 or 6.0%. Sequentially, the number was up by three.

Total operating expenses for the September quarter increased to \$13.7 million from \$13.0 million in the same period of 2024. Everything increased over last year due to the WANNA acquisition, except G&A, which was reduced primarily due to reduced corporate insurance premiums and external professional service fees.

Operating income was a profit for the first time at \$487,000 versus a loss of \$77,000 last year. The company earned \$1.5 million in interest income versus \$1.9 million last year because of having lower cash plus current financial assets at amortized costs during the quarter and lower short-term interest rates. Pretax earnings were \$2.2 million versus \$2.3 million last year. Net income was \$2.1 million compared to \$2.5 million last year as the company begins to pay taxes. This resulted in an EPS of \$0.02 versus \$0.025 in the previous year. Shares outstanding this quarter were again 102 million, flat with last year. This quarter and henceforth, the company will no longer report non-IFRS earnings and EPS.

Balance Sheet and Cash Flow

As of September 30th, Perfect Corp. had \$128 million in cash and equivalents and 6-month time deposits of \$42 million. This equals \$1.67 per share. It had \$144 million in working capital and no debt. Not including changes in working capital, the company had operating cash flow of \$647,000 and a free cash flow of \$394,000 in the quarter.

Acquisition of Wannaby

On January 7, 2025, Perfect Corp. bought Wannaby Inc. for \$6.0 million in cash with the possibility for a \$500,000 earn-out. Since its acquisition in January and through the end of June, Wannaby generated \$698,000 in revenues and a pretax loss of \$900,000 for Perfect Corp. Wannaby, known as WANNA, is the provider of a try-on technology platform for the fashion industry. It is located in Redwood City, California, and Lithuania, and upon acquisition, it had approximately 24-30 employees. The company was acquired from Farfetch, a leading global marketplace for luxury fashion, owned by Coupang (NYSE: CPNG) of South Korea, in 2022. The Farfetch marketplace connects customers in over 190 countries and territories with items from more than 50 countries and over 1,400 of the world's best brands, boutiques, and department stores. Farfetch and Coupang currently use the Wannaby platform and will become Perfect Corp.'s customers. Besides Farfetch, significant customers include Lululemon, Dolce & Gabbana, Diesel, Valentino, Reebok, and Allbirds. Wannaby had a dozen key customers, who together, by definition, buy at least \$1 million in services from Wannaby. The company specializes in shoes, bags, watches, jewelry, scarves, and apparel. The company reported that in 2024, it facilitated 17.5 million virtual try-ons, 1.7 million views in WANNA 3D Viewer, and 1.5 million experience photos taken. The acquisition expands Perfect Corp's capabilities, product offerings, and customer reach, particularly in shoes, bags, scarves, and apparel, as those are categories the Perfect platform did not support.

KEY POINTS

- With an **enterprise value of \$31 million**, Perfect Corp. is vastly undervalued compared to its SaaS peers and even more so when compared to authentic AI and machine learning-based solution providers who own their data. This **profitable and growing** company dominates its market, **has \$170 million in cash and equivalents** on its balance sheet with no debt, and is trading at an EV/2025 Estimated Sales of 0.4 times. The company went public via a SPAC transaction on October 31, 2022.
- Real-world applications of AI and Generative AI are just beginning to be discovered; however, Perfect Corp. has been using them for years. Rather than a technology looking for an application, Perfect Corp. long ago sought AI and machine learning as tools to create its solutions, and now has many years of experience and a database of billions of images per year to expand its use.
- Perfect Corp. has the SaaS platform used by the vast majority of the non-captive beauty industry for brands and retailers seeking to allow customers to try on and learn about products. Its platform is behind 842 brands selling 953,000 SKUs of makeup, haircare, skincare, eyewear, jewelry, bags, and apparel. By using AI and machine learning on its database of billions of user-provided images, it can generate augmented reality solutions that allow brands to increase conversion rates, reduce returns, and increase sales. It provides a documentable ROI to its B2B customers.
- Perfect Corp. also has a suite of consumer mobile apps that now generates more than half its revenues. This business grew by 30% in 2024 and could surpass that this year. The company keeps adding new features and mobile apps with new capabilities, expanding its target market.
- The two parts of the company share the same R&D, which is monetized with two separate markets. This increases ROI and allows one part to test before rolling out products and features to the entire customer base.
- In January, management purchased Wannaby to expand into the fashion business. The company now has a huge new market to pursue with new capabilities, can cross-sell between the two companies, and expand Wannaby's presence into new geographies.

- At 2025 estimated sales of \$70 million, it trades at an EV-to-sales ratio of 0.4 times. The company grew revenues by 13% in 2024 and non-IFRS EPS by 37%, and we expect revenues to accelerate in 2025. In the first nine months of 2025, revenues grew 15.1%. As a profitable AI-based SaaS company, we believe it deserves an EV-to-sales multiple of at least 2.8 times 2025 sales and a stock price of \$3.60.

OVERVIEW

Perfect Corp. is a \$201 million market cap company based in Taiwan, founded and spun off from CyberLink in 2015. It employed approximately 340 people as of the end of 2024, and has added approximately another 30 through the January acquisition of Wannaby. It became a public company in October 2022 via a SPAC. It is a SaaS company with revenues generated by B2B and B2C solutions in a 43/57 split. Most investors have never heard of Perfect Corp., but it is the dominant supplier of B2B solutions to the beauty and fashion industry. It provides try-on solutions to 18 of the top 20 cosmetic brands worldwide and is the software behind almost all the try-on solutions used by brands and retailers. Examples include Estee Lauder, [Walmart](#), Sephora, Shiseido, NARS, Sally Hansen, and Avon. As of the end of Q3 2025, the company served 142 key customers (those who pay more than \$50,000 a year). In addition, it supports 842 brands selling 953,000 SKUs of makeup, haircare, skincare, eyewear, jewelry, and apparel. The only major player it does not serve is L'Oréal, which bought a provider as an in-house solution.

The other part of the company sells freemium-priced mobile apps to consumers for makeup try-ons, tutorials, and photo and video editing. It has six mobile apps in both the Apple and Google stores that can be downloaded and trialed for free, but users are then charged a monthly or yearly fee for the premium version. The business has a lower gross margin due to the fees charged by the app stores. Perfect had 946,000 paying subscribers of these apps as of the end of Q3 2025. The *YouCam* mobile beauty app's active subscribers grew by 14% in 2024 but declined 3% in Q3 of 2025. With higher average revenue per subscriber, we believe app revenues are increasing over 30% year over year.

Perfect Corp.'s Database Trains Its AI and Creates a Moat for Competitors

While the B2B business generates much higher gross margins, the B2C business grows faster. However, these two businesses share the same R&D efforts and technology, and one can test for the other as the company rolls out new products and features. The company has powerful AI technology using deep and machine learning algorithms built on data from over 10 billion real-life try-ons every year around the world. Perfect Corp. employs an image library of millions of end-user customers that is used to train its AI, and this creates a considerable moat for competitors. Its data allows Perfect Corp. to provide highly accurate and realistic AR makeover experiences and personalized recommendations. It has developed proprietary AI and AR technologies with over 3,900 real-time facial 3D live meshes backed by visual computing, enabling more true-to-life effects compared with its competition. Its technology now can support over 89,969 skin tones and 14 makeup textures for facial attributes across all ethnicities and ages for its virtual try-on experience. As of December 31, 2024, Perfect had 35 registered patents and 25 pending patent applications to protect its IP.

Growth Plans Focus on Adding New Geographies and Penetrating New Verticals

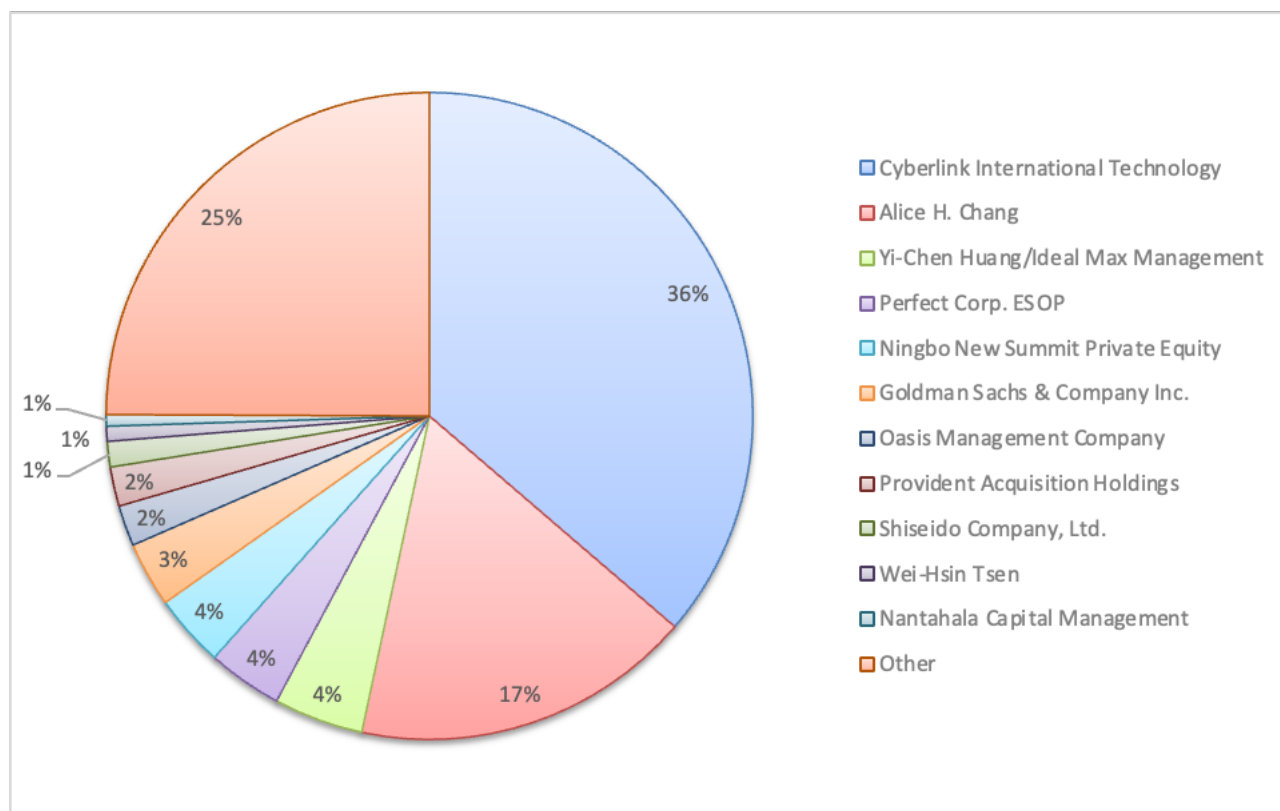
With its dominant market share, the company is looking to other geographies and verticals for growth. For the first six months of 2025, 38.2% of its revenue came from the US, 29.1% from Europe, and 18.3% from Asia-Pacific, and it looks to broaden its reach. As far as verticals, Perfect Corp. recently added skin care products as it already has AI trained on faces, and the skincare market is triple the size of makeup. It has been successful in selling this to not only marketers of lotions and other skin products but also

offers professional capabilities being sold to dermatologists, med-spa, and beauty clinics, who use the platform to augment and speed up evaluation processes and to project potential results.

Not including fashion, the vertical added by the acquisition of Wannaby, the most recent vertical it entered was wigs, followed by accessories, which encompasses jewelry, [watches](#), and [eyeglasses](#). Since it already has a huge database of faces and hands from its [nail product](#), these products were a logical step. Its solutions are now being expanded to clothing, hats, hair salons, dental and orthodontic services, and plastic surgery, as well as live-streaming and video conferencing. Believe it or not, the company already has a product that can touch up a person in a video, adding makeup and changing hair color. We can see potential demand for this in live streams, FaceTime, and Zoom calls, whether as a stand-alone app or as a license to a service provider. Anything other than faces and hands, such as shoes, needs images to train the AI. With the acquisition of Wannaby, it has added bags, scarves, shoes, and apparel to its offerings.

OWNERSHIP

As of March 20, 2025, Alice H. Chang beneficially owns (a) 10,622,620 Class B Ordinary Shares held by GOLDEN EDGE CO., LTD., a British Virgin Islands company in which Alice H. Chang has a controlling interest, (b) 4,669,346 Class B Ordinary Shares held by DVDonet.com. Inc., a British Virgin Islands company wholly owned by World Speed Company Limited, which is a British Virgin Islands company wholly owned by Alice H. Chang, (c) 523,008 Class B Ordinary Shares held by World Speed Company Limited, a British Virgin Islands company wholly owned by Alice H. Chang, (d) 973,744 Class B Ordinary Shares held by Alice H. Chang, and (e) 597,256 Class A Ordinary Shares held by Alice H. Chang.



VALUATION

As a SaaS provider to businesses and consumers, we believe PERF stock should be valued on an enterprise value-to-sales basis versus its peers. Since our last report, estimates and valuations have decreased for most of the companies on this list. Using the comparable table below, we see an average of 5.6 times EV to 2025 estimated calendar year sales for this group, with a range of 1.8 times to 14.9 times. We believe a conservative value would be half that average at 2.8 times, giving Perfect Corp. a market value of \$366 million or \$3.60 per share.

Company	Ticker	Cal. Revenue			TTM EBITDA	Enterprise Value / Sales			EV/ EBITDA	Enterprise Value	EBITDA Margin
		2026E	2025E	LTM		2026E	2025E	LTM			
C3AI	AI	NA	\$329	\$372	-\$364	NA	5.5x	4.9x	-5.0x	1,810	-97.9%
Elastic	ESTC	NA	\$1,652	\$1,550	-\$19	NA	5.1x	5.4x	-437.6x	8,410	-1.2%
Ibotta	IBTA	\$339	\$337	\$368	\$37	1.8x	1.8x	1.6x	16.2x	596	10.0%
Meitu	1357.HK	\$4,990	\$3,990	\$3,540	\$660	7.7x	9.7x	10.9x	58.4x	38,570	18.7%
Roblox	RBLX	\$7,640	\$6,140	\$4,020	-\$855	12.0x	14.9x	22.8x	-107.3x	91,710	-21.3%
Salesforce	CRM	\$44,990	\$41,250	\$39,500	\$11,420	5.0x	5.4x	5.7x	19.6x	223,280	28.9%
Snap	SNAP	\$6,520	\$5,890	\$5,640	-\$501	2.3x	2.6x	2.7x	-30.3x	15,190	-8.9%
Twilio	TWLO	\$5,340	\$4,940	\$4,730	\$282	2.8x	3.0x	3.1x	52.2x	14,730	6.0%
WIX	WIX	\$2,270	\$1,990	\$1,870	\$174	3.7x	4.2x	4.5x	48.5x	8,440	9.3%
Zoom	ZM	\$5,000	\$4,830	\$4,750	\$1,110	3.4x	3.5x	3.6x	15.2x	16,890	23.4%
Average						4.8x	5.6x	6.5x	-37.0x	41,963	-3.3%

RISKS

- Perfect Corp.'s AI solutions, particularly those used for facial analysis, may collect private and sensitive data. This may incur a risk of confidential information leaking. In addition, a hack or data breach initiated by unauthorized third parties may also lead to potential noncompliance with data-related laws and a leakage of confidential information. A system breakdown could also cause a leak.
- A substantial portion of Perfect Corp.'s network infrastructure is provided by third parties, including Amazon Web Services (AWS), Alibaba Cloud, and Google Cloud. Any disruption or failure in those services could harm its business.
- Governments could restrict Perfect Corp.'s ability to do business in their jurisdiction. For example, Perfect Corp.'s YouCam Makeup app has been banned in India as it caused certain national security concerns under Section 69A of the Information Technology Act, 2000 of India.
- The company's CEO controls 66.4% of the voting power, leaving other shareholders with little say in governance.
- In 2024, the company's largest client accounted for 5.2% of its revenues, and its five largest business partners contributed approximately 21% of the total revenues. No customer exceeded 10% of revenue in the six months ended June 30, 2024, or 2025.

METRICS

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep
B2C											
Monthly Active Subscriber	694,000	777,000	835,000	879,000	902,000	919,000	977,000	1,004,697	973,000	960,000	946,000
Yr-Yr Growth Rate	53%	63%	63%	45%	30%	18%	17%	14%	8%	4%	-3%
B2B											
SKUs	591,000	655,000	678,000	704,000	745,000	774,000	806,000	822,000	891,000	914,000	953,000
Yr-Yr Growth Rate	25%	28%	31%	27%	26%	18%	19%	17%	20%	18%	18%
Brands	525	601	627	645	666	686	708	732	801	818	842
Yr-Yr Growth Rate	17%	30%	32%	27%	27%	14%	13%	13%	20%	19%	19%
Key Customers	158	163	169	162	152	151	151	151	148	139	142
Yr-Yr Growth Rate		16%	12%	7%	-4%	-7%	-11%	-7%	-3%	-8%	-6%

Mobile App Subscribers



Source: Perfect Corp

INCOME STATEMENT

\$ in Thousands	Q1 2024 31-Mar	Q2 2024 30-Jun	Q3 2024 30-Sep	Q4 2024 31-Dec	Q1 2025 31-Mar	Q2 2025 30-Jun	Q3 2025E 30-Sep	Q4 2025E 31-Dec	2023	2024	2025E	2026E
B2B Minus Licensing									18,247	19,336	17,634	20,000
Yr-to-yr Growth									-12.2%	6.0%	-8.8%	13.4%
Mobile app subscriptions									26,517	34,472	45,000	59,000
Yr-to-yr Growth									63.4%	30.0%	30.5%	31.1%
SaaS and subscriptions	12,398	12,910	13,400	15,100	14,095	14,900	15,500	18,139	44,755	53,808	62,634	79,000
Yr-to-yr Growth	19.6%	17.4%	17.5%	26.0%	13.7%	15.4%	15.7%	20.1%	21.2%	20.2%	16.4%	26.1%
Licensing & Advertising	1,891	995	2,727	781	1,919	1,447	2,000	1,000	8,750	6,394	6,366	1,000
Yr-to-yr Growth	6.3%	-41.0%	-13.4%	-63.4%	1.5%	45.4%	-26.7%	28.0%	-15.7%	-26.9%	-0.4%	-84.3%
									49.6%	57.3%	65.2%	73.8%
Total Revenues	\$14,289	\$13,905	\$16,127	\$15,881	\$16,014	\$16,347	\$17,500	\$19,139	\$53,505	\$60,202	\$69,000	\$80,000
Yr-to-yr Growth	17.7%	9.6%	10.8%	12.4%	12.1%	17.6%	8.5%	20.5%	13.1%	12.5%	14.6%	15.9%
Cost of sales and services	3,095	2,876	3,171	4,116	3,540	4,040	3,891	4,553	10,400	13,258	16,023	19,829
Gross profit	11,194	11,029	12,956	11,765	12,474	12,307	13,610	14,586	43,105	46,944	52,977	60,171
Gross Margin %	78.3%	79.3%	80.3%	74.1%	77.9%	75.3%	77.8%	76.2%	80.6%	78.0%	76.8%	75.2%
Sales and Marketing	7,170	7,014	7,090	6,939	7,360	7,810	7,800	7,800	25,725	28,213	30,770	30,000
G&A	2,175	2,439	2,128	1,759	1,706	2,001	2,000	2,000	11,582	8,501	7,707	10,000
R&D	3,035	2,975	3,213	2,777	3,565	4,030	4,000	4,000	11,458	12,000	15,595	12,500
Expected credit losses	0	0	602	771	0	(67)	0	0	0	1,373	(67)	(67)
Total operating expenses	12,380	12,428	13,033	12,246	12,631	13,774	13,800	13,800	48,765	50,087	54,072	52,500
Operating income:	(1,186)	(1,399)	(77)	(481)	(157)	(1,467)	(191)	786	(5,660)	(3,143)	(1,095)	7,671
Operating margin	-8.3%	-10.1%	-0.5%	-3.0%	-1.0%	-9.0%	-1.1%	4.1%	-10.6%	-5.2%	-1.6%	9.6%
Other income:												
Interest income	1,969	1,983	1,923	1,833	1,577	1,587	1,550	1,500	9,498	7,708	6,214	4,637
Other income	2	12	5	36	2	14	5	5	33	55	26	24
Other gains and losses	(316)	25	422	(447)	1,066	526	-	-	1,675	(316)	1,592	526
Finance costs	(5)	(5)	(4)	(4)	(3)	(3)	(3)	(3)	(15)	(18)	(12)	(9)
Total other income	1,650	2,015	2,346	1,418	2,642	2,124	1,552	1,502	11,191	7,429	7,820	5,178
Income before income taxes	464	616	2,269	937	2,485	657	1,362	2,288	5,531	4,286	6,725	12,849
Pretax Margin	3.2%	4.4%	14.1%	5.9%	15.5%	4.0%	7.8%	12.0%	10.3%	7.1%	9.7%	16.1%
Income taxes	(166)	(148)	(263)	(158)	192	450	520	840	115	(735)	2,002	3,855
Tax rate	-36%	-24%	-12%	-17%	8%	68%	38%	37%	2%	-17%	30%	30%
Net income	630	764	2,532	1,095	2,293	207	842	1,448	5,416	5,021	4,723	8,994
Net margin	4.4%	5.5%	15.7%	6.9%	14.3%	1.3%	4.8%	7.6%	10.1%	8.3%	6.8%	11.2%
Other comprehensive income:												
Actuarial gains	-	-	-	31	-	-	-	-	(4)	31	-	-
Credit risk changes preferred	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on translation	(140)	(111)	257	(223)	108	103	-	-	(116)	(217)	-	-
Other comprehensive income, net	490	653	2,789	903	2,401	310	842	1,448	5,296	4,835	-	-
Stk based compensation	784	653	744	593	620	280	280	280	3,210	2,774	1,460	3,000
One-time exp. & non-cash adj.	104	(150)	(61)	825	(889)	(85)	-	-	(1,608)	718	(974)	(85)
Non-IFRS Income	1,518	1,267	3,215	2,321	2,024	402	1,122	1,728	7,018	8,321	5,209	11,909
Yr-over-Yr	14%	44%	21%	8%	33%	-68%	-65%	-26%	73.0%	18.6%	-37.4%	128.6%
Net income per share:												
Shareholders of Parent Primary EPS	0.006	0.008	0.025	0.011	0.023	0.002	0.008	0.014	0.05	0.049	0.046	0.088
Shareholders Diluted EPS	0.006	0.008	0.025	0.011	0.023	0.002	0.008	0.014	0.05	0.049	0.046	0.088
Total Diluted Non-IFRS EPS	0.015	0.012	0.032	0.023	0.020	0.004	0.011	0.017	0.06	0.082	0.051	0.117
	35%	55%	43%	20%	33%	-68%	-65%	-26%	0.2%	37.4%	-37.4%	128.5%
Shares												
Avg basic shares (A+B) YTD	101,849	101,849	101,849	101,849	101,849	101,849	101,849	101,849	118,024	101,849	101,849	101,900
Yr-over-Yr	-13.9%	-13.9%	-13.8%	-13.7%	0.0%	0.0%	0.0%	0.0%	72.7%	-13.7%	0.0%	0.1%
Diluted	101,849	101,849	101,849	101,849	101,849	101,849	101,849	101,849	118,024	101,849	101,849	101,900
Yr-over-Yr	-13.9%	-13.9%	-13.8%	-13.7%	0.0%	0.0%	0.0%	0.0%	72.7%	-13.7%	0.0%	0.1%

BALANCE SHEET

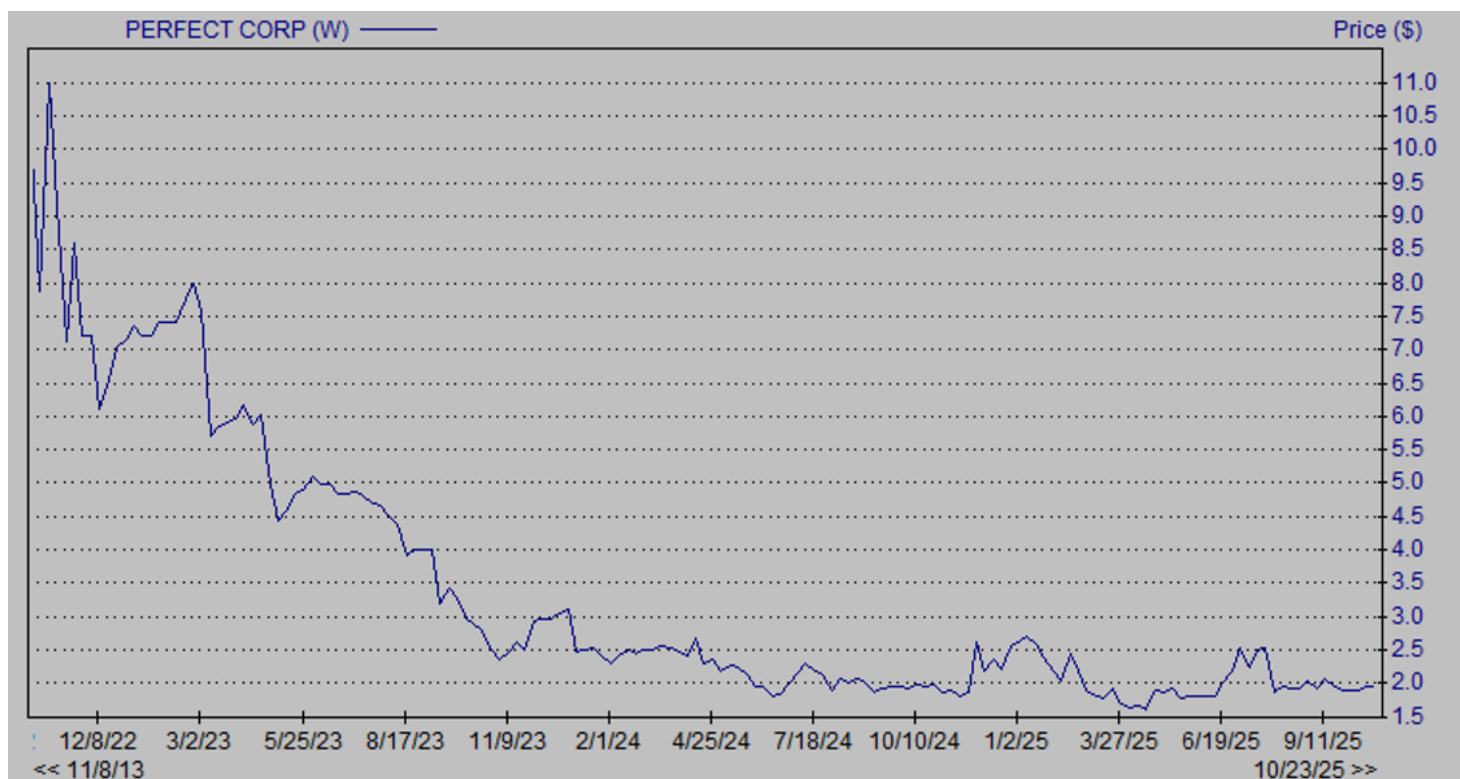
US\$ in Thousands	Sept 30, 2025	June 31, 2025	Qtr-Qtr % Growth	Sept 30, 2024	Yr-Yr % Growth
Current assets:					
Cash and equivalents	\$ 127,882	\$ 125,337	2.0%	\$ 127,177	1%
Current financial assets at fair value	5,944	6,153	-3.4%	0	NM
Current financial assets at amortized costs	36,300	36,300	0.0%	36,000	1%
Current contract assets (contract receivable)	1,353	856	58.1%	2,022	-33%
Accounts receivable, net	9,612	8,560	12.3%	8,036	20%
Other receivables	542	407	33.2%	786	-31%
Current income tax assets	32	32	0.0%	281	-89%
Inventories	18	19	-5.3%	21	-14%
Other current assets	1,956	2,218	-11.8%	2,311	-15%
Total current assets	183,639	179,882	2.1%	176,634	4%
Property, plant and equipment	775	600	29.2%	617	26%
Right-of-use assets	713	720	-1.0%	626	14%
Intangible assets, net	6,420	6,456	-0.6%	44	14491%
Deferred income tax assets	2,413	2,276	6.0%	1,563	54%
Security deposits paid	221	220	0.5%	148	49%
Total non-current assets	10,542	10,272	2.6%	2,998	252%
Total assets	194,181	190,154	2.1%	179,632	8%
Current liabilities:					
Financial liab. at FV through profit or loss	0	158	-100.0%	0	0%
Current contract liabilities (unearned revenue)	23,665	21,719	9.0%	17,923	32%
Other payables	13,753	13,273	3.6%	11,393	21%
Other payables - related parties	76	64	18.8%	55	38%
Current tax liabilities	671	561	19.6%	390	72%
Current provisions	1,129	1,415	-20.2%	1,822	-38%
Current lease liabilities	458	460	-0.4%	484	-5%
Other current liabilities	377	308	22.4%	310	22%
Total current liabilities	40,129	37,958	5.7%	32,377	24%
Non-current financial liabilities at FV	294	757	-61.2%	1,459	-80%
Deferred income tax liabilities	497	505	-1.6%	0	NA
Non-current lease liabilities	281	262	7.3%	171	64%
Net defined benefit liabilities, non-current	46	46	0.0%	81	-43%
Guarantee deposits received	0	0	0.0%	25	-100%
Total non-current liabilities	1,118	1,570	-28.8%	1,736	-36%
Total liabilities	41,247	39,528	4.3%	34,113	21%
Stockholders' equity					
Class A Shares	8,506	8,506	0.0%	8,506	0%
Class B Shares	1,679	1,679	0.0%	1,679	0%
Capital surplus	514,174	513,890	0.1%	512,397	0%
Retained earnings					
Accumulated deficit	370,840	(372,920)	-199.4%	(376,546)	-198%
Other equity interest	(585)	(529)	10.6%	(517)	13%
Total stockholders' equity	152,934	150,626	1.5%	145,519	5%
Total liabilities and stockholders' equity	194,181	190,154	2.1%	179,632	8%
Current ratio	4.6	4.7	-3.4%	5.5	-16%
Working Capital	143,510	141,924	1.1%	144,257	-1%
Net cash plus CDs	170,126	167,790	1.4%	163,177	4%
Cash per share	\$1.67	\$1.65	1.4%	\$1.60	4%
Debt	0	0	0.0%	0	0%

CASH FLOWS

US\$ in Thousands

	Year 2022	Year 2023	3 Mo Ended Mar 31, 2024	3 Mo Ended Jun 30, 2024	3 Mo Ended Sep 30, 2024	3 Mo Ended Dec 31, 2024	Year 2024	3 Mo Ended Mar 31, 2025	3 Mo Ended Jun 30, 2025	3 Mo Ended Sep 30, 2025
Cash flows from operating activities:										
Profit before tax	(161,452)	5,531	464	616	2,269	937	4,286	2,485	657	2,225
Adjustments to reconcile net income to net cash provided by operating activities:										
Depreciation	703	638	166	178	197	206	747	210	217	218
Amortization	63	75	13	13	13	12	51	31	44	36
Expected credit losses	-	-	-	-	602	771	1,373	-	(67)	69
Interest income	(2,029)	(9,498)	(1,969)	(1,983)	(1,923)	(1,833)	(7,708)	(1,577)	(1,587)	(1,546)
Interest expense	8	15	5	5	4	4	18	3	3	5
Net losses on financial assets at FV	-	-	-	-	-	-	-	-	(9)	(23)
Net losses on financial liabilities at FV	93,777	(1,641)	104	(150)	(61)	334	227	(951)	(85)	(621)
Share-based payments	2,175	3,210	784	653	744	593	2,774	620	280	284
Recognition of listing expense	65,264	-	-	-	-	-	-	-	-	-
Change in operating assets and liabilities:										
Accounts receivable	(1,479)	759	(723)	589	(1,501)	(665)	(2,300)	(815)	456	(1,126)
Current contract assets	(3,701)	866	515	699	(462)	1,037	1,789	214	(88)	(499)
Other receivables	(3)	3	-	-	-	-	-	-	(22)	22
Other receivables - related parties	-	-	-	-	-	-	-	-	-	-
Inventories	43	12	5	7	-	3	15	0	-	-
Other current assets	(4,418)	662	549	661	523	(219)	1,514	214	148	257
Current contract liabilities	4,783	2,366	2,936	(1,314)	919	(592)	1,949	3,976	333	1,976
Other payables	772	1,050	(587)	536	1,106	307	1,362	(644)	2,137	486
Other payables - related parties	(2)	(12)	1	2	2	(7)	(2)	6	10	13
Current provisions	897	565	(184)	(379)	(15)	129	(449)	(600)	81	(278)
Other current liabilities	(80)	27	(44)	(23)	101	46	80	(13)	(34)	72
Net defined benefit liabilities, non-current	1	3	1	-	1	1	3	-	-	-
Net cash generated by operating activities	(4,678)	4,631	2,036	110	2,519	1,064	5,729	3,159	2,474	1,570
Interest income	1,724	9,464	1,605	1,953	1,875	2,266	7,699	1,416	1,765	1,389
Interest paid	(8)	(15)	(5)	(5)	(4)	(4)	(18)	(3)	(3)	(5)
Income tax paid	(343)	(502)	(114)	(62)	(158)	(73)	(407)	(246)	(575)	(186)
Cash used by operating activities	(3,305)	13,578	3,522	1,996	4,232	3,253	13,003	4,326	3,661	2,768
Cash flows from Investing activities:										
Acquisition of financial assets at FV	-	-	-	-	-	-	-	-	(6,143)	232
Proceeds from disposal of financial assets at FV through p or l	-	-	-	-	-	-	-	2,746	-	-
Acquisition of financial assets at amortized	(30,000)	(196,100)	(11,000)	(33,470)	(11,104)	(27,773)	(83,347)	(6,300)	(30,000)	(11,300)
Proceeds from disposal of financial assets	-	195,800	6,000	30,800	13,074	25,000	74,874	6,000	30,000	11,300
Acquisition of subsidiaries, net	-	-	-	-	-	-	-	(5,553)	(428)	-
Capital expenditures, net	(165)	(289)	(85)	(174)	(130)	(3)	(392)	(46)	(118)	(253)
Acquisition of intangible assets	(93)	(33)	-	(6)	-	-	(6)	-	-	-
Increase in guarantee deposits paid	-	(15)	-	(8)	-	-	(8)	(52)	(15)	-
Net cash used in investing activities	(30,258)	(637)	(5,085)	(2,858)	1,840	(2,776)	(8,879)	(3,205)	(6,704)	(21)
Cash flows from Financing activities:										
Repayment of principal portion of lease liab.	(457)	(435)	(116)	(123)	(142)	(144)	(525)	(134)	(169)	(116)
Employee stock option exercised	5,592	-	-	-	-	-	-	-	-	-
Proceeds from recapitalization	112,893	-	-	-	-	-	-	-	-	-
Payments for treasury shares	-	(51,064)	-	-	-	-	-	-	-	-
Net cash provided by financing activities	118,028	(51,499)	(116)	(123)	(142)	(144)	(525)	(134)	(169)	(116)
Effect of exchange rate changes of cash	(2,302)	(187)	(232)	(179)	451	(389)	(349)	195	246	(86)
Net change - cash	82,163	(38,745)	(1,911)	(1,164)	6,381	(56)	3,250	1,182	(2,966)	2,545
Cash, beginning of period	80,453	162,616	123,871	121,960	120,796	127,177	123,871	127,121	128,303	125,337
Cash, end of period	162,616	123,871	121,960	120,796	127,177	127,121	127,121	128,303	125,337	127,882
Cash Flow	(1,491)	(1,670)	(433)	(668)	1,845	1,024	1,768	821	(547)	647
Free cash flow	(1,656)	(1,959)	(518)	(842)	1,715	1,021	1,376	775	(665)	394

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, Lisa Thompson, hereby certify that the view expressed in this research report accurately reflects my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services, nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article. Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer include the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business. SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate, nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.