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Zacks Small-Cap Research

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GCT Semiconductor Holding, Inc. (NYSE: GCTS)

GCTS: GCT Semiconductor Revenues Continue to Improve Sequentially as Customers Start to Take 5G Product

We believe that GCT Semiconductor's stock is worth $4.40 per share based on an EV to Sales Ratio of 3.65 times, or half the valuation of its peers.

Current Price (3/25/26)	$1.30
Valuation	**$4.40**

OUTLOOK

GCT Semiconductor Holding, Inc., a fabless semiconductor manufacturer, has long been a provider for devices (other than low-margin smartphones) that use 4G chips. While that market declines, and as new 5G networks are rolling out worldwide, GCT has been working on new 5G chips and is starting to ramp production following its first commercial shipments in the December quarter. It hopes to return historical revenue volumes and reach quarterly breakeven in early 2027. We expect breakeven to occur at approximately $25 million in sales which could happen in 1H2027.

SUMMARY DATA

52-Week High	**$2.20**
52-Week Low	**$0.99**
One-Year Return (%)	**-25.3**
Beta	**1.2**
Average Daily Volume (sh)	**1,431,767**
Shares Outstanding (mil)	**72.5**
Market Capitalization ($mil)	**$94.3**
Short Interest Ratio (days)	**1.1**
Institutional Ownership (%)	**28**
Insider Ownership (%)	**5**
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	**Above Average**
Type of Stock	**Small Growth**
Industry	**Semiconductors**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2024	3.3 A	1.5 A	2.6 A	1.8 A	9.1 A
2025	0.5 A	1.2 A	0.4 A	0.8 A	2.9 A
2026	2.2 E	3.4 E	9.0 E	16.6 E	31.0 E
2027					95.0 E

Earnings Per Share

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2024	$0.03 A	-$0.02 A	-$0.16 A	-$0.11 A	-$0.30 A
2025	-$0.15 A	-$0.26 A	-$0.25 A	-$0.16 A	-$0.82 A
2026	-$0.13 E	-$0.13 E	-$0.11 E	-$0.09 E	-$0.46 E
2027					-$0.11 E

GCT Semiconductor Reports Continued Sequential Revenue Improvement

GCT Semiconductor reported the fourth quarter and 2025 year last night and slightly exceeded our estimates. While 2025 results were disappointing overall, the company is beginning to recover, having posted sequential revenue improvement. Orders are beginning to come in, and we expect that at some point, we will hear about a meaningful backlog, even if the company is not yet able to reveal from which customers the orders are. Once these customers announce their products, we expect to learn who they are. On the call, management discussed its new licensing agreement with a very large satellite communications company that currently has a sole source arrangement with GCT and could buy as much as $40 million annually based on volumes from its current supplier.

In Q4, the company generated revenues from three customers, with one being a production order. In Q1, GCT is expected to supply products to 3-5 different customers and expects to reach over $2 million in sales. This is a meaningful improvement from the $758,000 reported in Q4 2025. Management expects sequential quarterly revenue growth for the foreseeable future.

In March, the company exhibited at Mobile World Congress in Barcelona and had lots of interest and over 50 meetings with companies primarily in the satellite, automotive, FWA (fixed wireless access), and millimeter wave industries. Of note is that many companies are seeking non-Chinese sourced components, as the FCC is moving to scrutinize and restrict what is going into devices, specifically calling out routers, which can have a broad definition and include FWA.

While it has been a long journey, we believe the company is well-positioned to gain traction, and the next few quarters should show that it is on its way to meaningful revenues. In 2027, the company should be able to reach over $100 million in revenues. As a show-me stock, it now just has to get there. We believe the stock is worth $4.40 based on $95 million in revenues in 2027 at 3.65x EV to Sales. This is conservative, using only half the valuation of its peers.

2025 Earnings Results

In 2025, revenues were down 69% to $2.8 million as 4G product revenues tailed off. Product sales were only $1.1 million compared to $4.8 million in 2024. Service revenues, primarily from non-recurring engineering, were $1.7 million compared to $4.4 million a year ago. Gross margin was negative for products due to small volumes. Total gross margin was -63% this year versus a positive 56% last.

If we take out last year's gain on extinguishment of debt of $14.6 million, operating expenses were $34.7 million this year compared to $32,8 million last year. The increase was mostly due to G&A expense, offset somewhat by less R&D spending. Included in G&A this past year were non-recurring items, which should allow the company to report lower operating expenses in 2026. The operating loss was $36.5 million this year compared to a profit of $1.5 million in 2024, taking out the one-time gain in 2024.

Interest expense was higher than last year at $6.0 million compared to $3.9 million. Going forward, the company expects that number to decline as it replaces debt with equity. The pretax loss was $42.5 million versus a loss of $11.9 million. Net loss was $43.4 million compared to a loss of $11.9 million with the one-time gain. The loss per share was $0.82 versus $0.30, and the non-GAAP loss per share was $0.66 versus a loss of $0.30 in 2024. Average shares outstanding increased to 52.9 million in 2025 versus 40.6 million in 2024, or 30%.

During Q4 2025

On December 29, 2025, Gogo announced the launch of its 5G Air-To-Ground Network underpinned by GCT's 5G chipset.

After the Quarter Ended

On January 6, 2026, GCT announced the commercial launch of its 5G chipset.

On January 29, 2026, GCT announced a 5G licensing agreement with one of the world's largest satellite communication providers.

GCT Semiconductor showed its latest 5G and IoT capabilities at its exhibit at Mobile World Congress (MWC) 2026, March 2nd through the 6th, in Barcelona, Spain. GCT unveiled its latest breakthroughs in 5G, NTN, eMMB, and IoT, for terrestrial and satellite networks. It and its partners, Skylo, Movandi, Smawave, Gemtek, TMY Technology, and Unitac, also jointly displayed their expanding portfolio of 5G modules and IoT solutions engineered for applications in fixed wireless access, smart mobility, and 5G-to-space.

Balance Sheet

GCT ended the December quarter with $590,000 in cash and $61.6 million in debt. Working capital was then negative $66.7 million. For the fourth quarter, the company had negative free cash flow (not including changes in working capital) of $9.0 million, and $36.0 for the year.

On December 15, 2025, GCT Semiconductor entered into a Convertible Promissory Note Purchase Agreement with Indigo Capital LP to sell Indigo up to $20 million of convertible notes. Indigo provided an initial $1 million advance, with additional advances of up to $1 million each available at the company's request. The notes will be issued at a 7% original issue discount, will mature 24 months after issuance, and will not bear interest. The notes are convertible into shares of common stock at a price equal to 90% of the average volume weighted average price of the three trading days before conversion, subject to customary beneficial ownership and stock exchange limitations. GCT may redeem all or a portion of the notes after 12 months, subject to applicable redemption premiums.

After the Quarter Ended

In January 2026, the company partially repaid $1.0 million of the principal amount of the term loan agreement with Kyeongho Lee initially executed in November 2024.

In January 2026, the company issued three Indigo Notes, each with a principal amount of $1.0 million, and received gross proceeds of $2.8 million. In January 2026, the Indigo Notes with a principal amount of $4.0 million, including the Indigo Note outstanding as of December 31, 2025, converted into 4.4 million shares of stock.

On February 24, 2026, GCT Semiconductor amended its $5 million convertible promissory note, dated February 26, 2024, with Gogo Business Aviation, LLC to extend the maturity date to February 26, 2028, and in consideration, GCT issued Gogo a warrant to purchase 500,000 shares of stock at an exercise price of $2.50 per share for a term of three years.

During January and February 2026, the company sold roughly 9.9 million shares of its common stock under the ATM Agreement for total gross proceeds of about $12.6 million, with $400,000 of issuance costs related to these sales. As of February 28, 2026, approximately 38.7 million shares of common stock remain available for future issuance under the ATM Agreement. As of February 28, 2026, GCT had cash and cash equivalents of $9.4 million.

In March 2026, the GCT entered into a convertible promissory note purchase agreement with Obsidian Global GP, LLC, which provides a facility for the issuance of convertible promissory notes of up to $20.0 million in aggregate. The agreement allows the company to draw on the facility at the company's discretion in periodic increments. Each draw shall not be more than $500,000.

In March 2026, the GCT executed an amendment with Anapass, Inc., to extend the maturity date from March 2026 to March 2027 for the term loan with a principal of $3.1 million that it initially entered into in March 2025.

KEY POINTS

- GCT Semiconductor is a fabless semiconductor provider to the telecom and IoT markets for 4G and 5G devices, excluding most smartphones. Qualcomm dominates the market, and GCT is one of the few, and in some cases the only, possible secondary provider. The company is at an inflection point in revenues, where demand for 4G chipsets is trailing off and is about to ramp up for 5G. Going forward, revenues are expected to be almost exclusively from 5G products. The company expects revenues to begin growing sequentially in Q1 2026. Due to a steep production ramp, it is expected that GCT could be breakeven by Q1 2027, when revenues are expected to surge to over $25 million.

- As revenues from its legacy 4G technology-based chipsets approach zero and are rapidly overtaken by 5G product sales, GCT Semiconductor will become a pure play in 5G. However, because it has 4G functionality in the 5G chipset, it can address virtually all network operators worldwide.

- Since virtually all of its hardware is off-the-shelf, GCT is now building 5G chipset inventory in anticipation of orders. While much of what it sells is off-the-shelf, GCT does provide bespoke software and device design assistance as a way of building customer success and loyalty.

- The company has development contracts, MOUs, and/or LOIs with a number of companies that are expected to result in orders for 5G products. These companies include: Verizon, Airspan, Ligado, Kyocera, Orbic, Aramaco Digital, and a European tier-one telecom supplier.

- In late December, Gogo announced a successful launch of its 5G air-to-ground (ATG) network, which is based on GCT's chipset. This is the first network launch using the GCT 5G chipset, for which there will be more in 2026.

- In early January, GCT announced the launch of its first commercial shipments of 5G chipsets. We anticipate that the company will receive additional production orders from its development partners in the first quarter of 2026.

- The stock currently trades at a fully diluted enterprise value of $128 million. The global market for the products GCT sells was estimated to be $23 billion in 2025. If GCT can secure even a small portion of that market, its valuation should far exceed its current price. We believe the stock is worth $4.40 based on $95 million in revenues in 2027 at 3.65x EV to Sales. This is conservative, using only half the valuation of its peers.

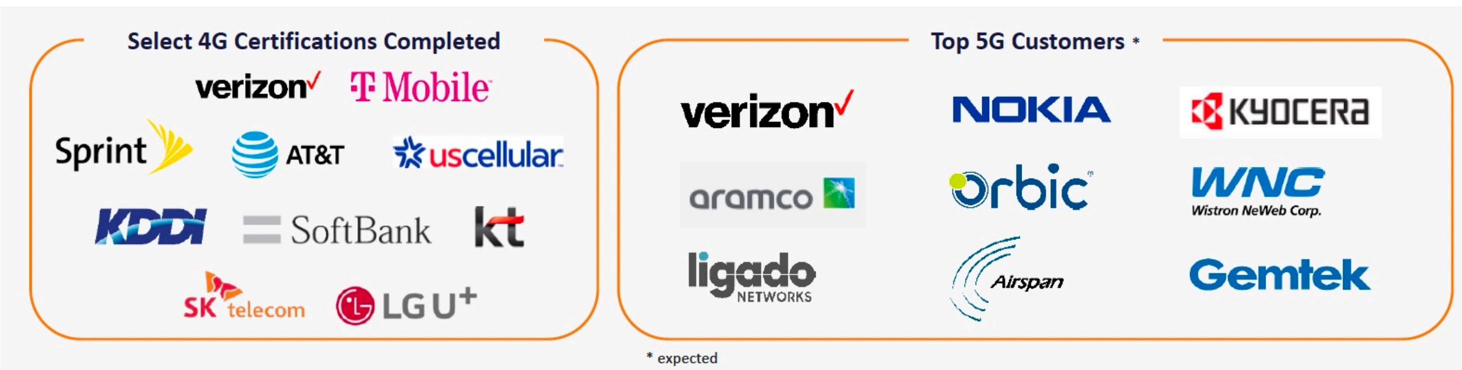
OVERVIEW

GCT was founded in 2000 in San Jose and became a public company through a SPAC in March 2024. As of the end of 2024, the company had 121 full-time employees, with 96 based in Korea, 18 in the United States, three in Taiwan, two in China, and one each in Hong Kong and Japan. These employees included 76 in research and development, 18 in sales and marketing, 21 in general and administration, and six in operations. It is a fabless semiconductor company that has products produced in Samsung's fabs in Taiwan and Singapore. Its largest shareholder, with 15% of the company, is Anapass, a Korean company headed by Kyeong Ho Lee, the founder of GCT. Anapass has always provided cash to GCT when needed, which should alleviate concerns that GCT might not have required funding.

In the past, the company achieved great success selling RF CMOS, with a focus on transceivers for CDMA and full modems for Wi-Fi and Bluetooth applications. It pursued WiMAX technology and partnered with Intel and then LTE technology in smartphones with LG, reaching $100 million in sales in 2012. Telecom industry consolidation disrupted growth, and with the move to LTE, the company focused on new customers who did not require legacy 2G/3G technology embedded. It then switched away from the low-margin smartphone business and pursued everything else. Its main verticals now are: carriers for Fixed Wireless Access (FWA) routers and hotspots. Non-Terrestrial Networks (NTN/ satellite), utilities (smart meters and gateways), security, tracking, and private networks. It also has the auto sector in its sights for GPS tracking and IVI connectivity.

The company obtained worldwide certifications for its 4G products from many companies, as shown in the chart below. It will also be getting certifications for its 5G products from an expanded set of customers, all of which are expected to be placing orders in the future, either directly or through subcontractors and/or distributors.

Chart 2. Completed Certifications



Source: GCT Semiconductor

VALUATION

GCT is a fabless semiconductor company. Third parties would provide the production of its devices, and we expect it would have margins similar to those of the companies below. They trade at an average of 7.3x enterprise value to estimated 2026 revenues. Currently, GCT trades at an enterprise value of $128 million. We need to look further out to where we think revenues would be by 2027, at $95 million. If we are conservative and use half the 7.3x, or 3.65x, it gives us an enterprise valuation of $347 million, a market value of $286 million, and a stock price of $5.05 per share by 2027. Discounting this back by 15% to the 2026 present value, this would be $4.40 per share today.

		Calendar				EBIDTA	Enterprise Value / Sales			EV/EBITDA	Included	
Company	Ticker	2027E	2026E	LTM	EBITDA	Margin	2027E	2026E	LTM		in Average?	Ent. Value
AMD	AMD	$66,740	$46,530	$34,640	6,740	19%	4.8x	6.9x	9.3x	47.7x	y	321,550
Broadcom	AVGO	$156,710	$104,040	$68,280	37,220	55%	9.7x	14.6x	22.3x	40.8x	y	1,520,000
Cirrus Logic	CRUS	NA	$2,026	$1,970	508	26%	NA	3.1x	3.2x	12.3x	y	6,260
Marvell	MRVL	$14,880	$10,870	$8,190	2,630	32%	5.3x	7.3x	9.6x	30.0x	y	79,010
MediaTek	2454.TW	$26,800	$19,890	$18,980	3,980	21%	2.8x	3.7x	3.9x	18.7x	y	74,460
Monolithic Power Systems	MPWR	$3,980	$3,390	$2,790	781	28%	12.9x	15.1x	18.4x	65.6x	y	51,260
NVIDIA	NVDA	$480,310	$369,710	$215,940	133,230	62%	8.6x	11.2x	19.2x	31.1x	n	4,150,000
Semtech	SMTC	$1,400	$1,240	$1,050	172	16%	5.1x	5.7x	6.8x	41.3x	y	7,110
Sequans	SQNS	$67	$41	$32	(87)	-275%	1.5x	2.5x	3.3x	-1.2x	y	103
Qualcomm	QCOM	NA	$44,550	$44,870	13,760	31%	NA	3.2x	3.2x	10.3x	y	141,600
Average						**1%**	**6.3x**	**7.3x**	**8.9x**	**29.5x**		**895,669**

RISKS

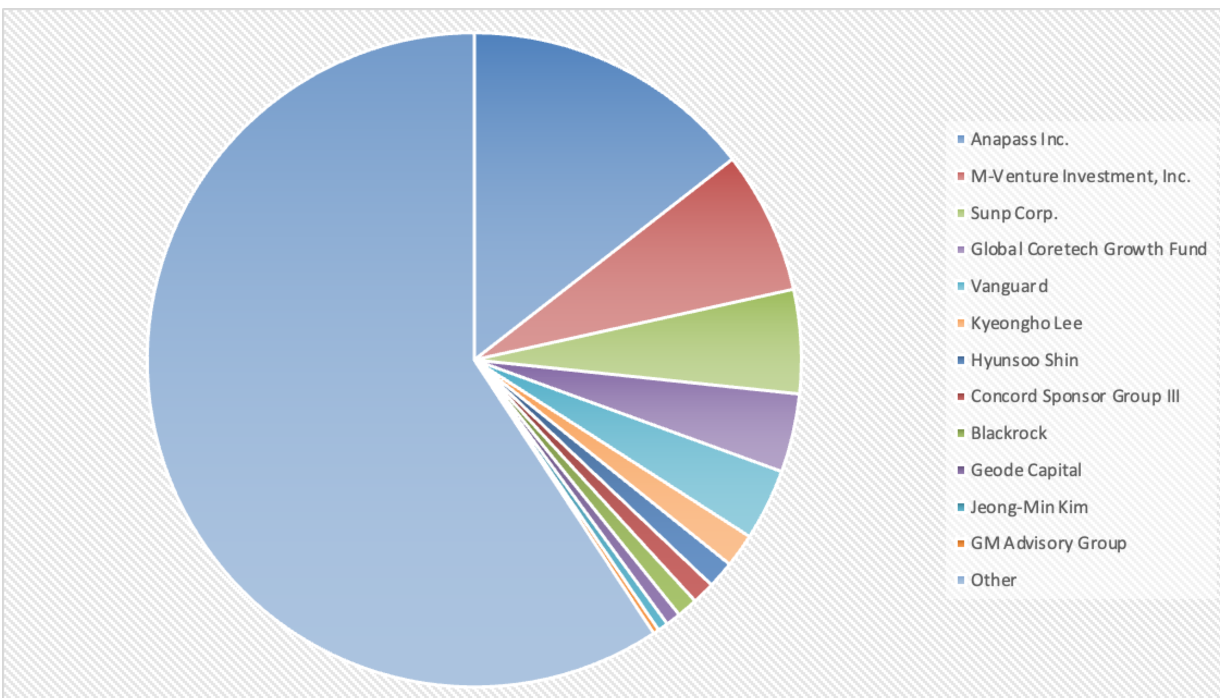
- GCT is in the midst of a technology transition and is largely discontinuing its old product line for a new one. While many of its past customers may become current customers, there is no assurance they will or that GCT can land new customers.

- While GCT expects its development contracts to turn into production orders eventually, the timing of this is dependent on its customers' needs. Since much of what GCT sells goes into new products, it is particularly difficult to forecast revenues and expenses going forward. Because of this, there is a wide range of possible outcomes for revenues and earnings in the next few years as schedules could shift. Investors should be aware of this risk.

- Its newest technology has not yet been fully proven to work or may not work within the customer's needed parameters.

- The company now has historically low revenues, high losses, and is still consuming cash. Until it generates higher revenues and reaches cash breakeven, it might need to raise new capital from investors, which could dilute current shareholders.

OWNERSHIP



INCOME STATEMENT

Dollars in thousands	**Q1 24**	**Q2 24**	**Q3 24**	**Q4 24**	**Q1 25**	**Q2 25**	**Q3 25**	**Q4 25**	**Q1 26E**	**Q2 26E**	**Q3 26E**	**Q4 26E**	**2024**	**2025**	**2026E**	**2027E**
Revenue																
Product	$ 2,378	$ 18	$ 1,715	$ 660	$ 91	$ 408	$ 148	$ 484	$ 1,800	$ 3,000	$ 8,600	$ 16,000	$ 4,771	$ 1,131	$ 29,400	$ 90,000
Service	887	1,450	895	1,125	405	774	282	274	400	400	400	600	4,357	1,735	1,800	5,000
Total net revenues	**3,265**	**1,468**	**2,610**	**1,785**	**496**	**1,182**	**430**	**758**	**2,200**	**3,400**	**9,000**	**16,600**	**9,128**	**2,866**	**31,200**	**95,000**
Growth %	7%	-66%	-35%	-62%	-85%	-19%	-84%	-58%	344%	188%	1993%	2090%	-43%	-69%	989%	204%
Cost of revenue																
Cost of product	654	158	710	1,001	207	582	1,419	1,818	1,800	2,900	7,500	13,000	2,523	4,026	25,200	54,000
Product gross margin	1,724	(140)	1,005	(341)	(116)	(174)	(1,271)	(1,334)	0	100	1,100	3,000	2,248	(2,895)	4,200	36,000
Product gross margin %	72%	-778%	59%	-52%	-127%	-43%	-859%	-276%	0%	3%	13%	19%	47%	-256%	14%	40%
Cost of service	658	389	274	208	201	222	61	173	90	90	90	120	1,529	657	390	1,300
Service gross margin %	26%	73%	69%	82%	50%	71%	78%	37%	78%	78%	78%	80%	65%	62%	78%	74%
Total cost of revenues	1,312	547	984	1,209	408	804	1,480	1,991	1,890	2,990	7,590	13,120	4,052	4,683	25,590	55,300
Gross margin	**1,953**	**921**	**1,626**	**576**	**88**	**378**	**(1,050)**	**(1,233)**	**310**	**410**	**1,410**	**3,480**	**5,076**	**(1,817)**	**5,610**	**39,700**
Gross margin %	59.8%	62.7%	62.3%	32.3%	17.7%	32.0%	-244.2%	-162.7%	14.1%	12.1%	15.7%	21.0%	55.6%	-63.4%	18.0%	41.8%
Operating expenses																
R&D	5,521	4,164	4,210	3,434	4,096	3,514	3,258	3,137	3,300	3,300	3,300	3,300	17,329	14,005	13,200	15,000
Sales and Marketing	996	976	949	999	1,118	1,021	1,048	1,056	1,500	1,500	1,600	1,600	3,920	4,243	6,200	9,000
G&A	2,836	2,860	2,379	2,723	2,614	3,435	3,898	6,528	3,500	3,500	3,500	3,600	10,798	16,475	14,100	18,000
Gain on extinguishment of liabilities	(14,636)	0	0	-	0	0	0	-	0	0	0	0	(14,636)	0	0	0
Loss on impairment of liability	0	0	0	787	0	0	0	-	0	0	0	0	787	0	0	0
Operating expenses	(5,283)	8,000	7,538	7,943	7,828	7,970	8,204	10,721	8,300	8,300	8,400	8,500	18,198	34,723	33,500	42,000
Operating income	7,236	(7,079)	(5,912)	(7,367)	(7,740)	(7,592)	(9,254)	(11,954)	(7,990)	(7,890)	(6,990)	(5,020)	(13,122)	(36,540)	(27,890)	(2,300)
Interest expense	(2,082)	(760)	(667)	(358)	(1,070)	(1,532)	(1,783)	(1,641)	(1,600)	(1,550)	(1,500)	(1,450)	(3,867)	(6,026)	(6,100)	(5,000)
Gain on foreign currency	1,472	816	(1,044)	3,446	21	(3,217)	1,320	1,092	0	0	0	0	4,690	(784)	0	0
Change in FV of common stock forward liability	0	(586)	0	2,794	295	0	16	1	0	0	0	0	2,208	312	0	0
Change in FV of common stock warrant liability	(4,626)	6,628	759	(4,231)	1,649	(1,010)	(3,812)	4,053	0	0	0	0	(1,470)	880	0	0
Change in FV of conv. promissory notes	(1,203)	14	(165)	768	(19)	(157)	(164)	4	0	0	0	0	(586)	(336)	0	0
Other income	19	(9)	(31)	234	1	9	6	8	0	0	0	0	213	24	0	0
Pretax income	816	(976)	(7,060)	(4,714)	(6,863)	(13,499)	(13,671)	(8,437)	(9,590)	(9,440)	(8,490)	(6,470)	(11,934)	(42,470)	(33,990)	(7,300)
Income tax	59	67	61	258	105	39	178	580	60	60	200	300	445	902	620	900
Net loss	757	(1,043)	(7,121)	(4,972)	(6,968)	(13,538)	(13,849)	(9,017)	(9,650)	(9,500)	(8,690)	(6,770)	(12,379)	(43,372)	(34,610)	(8,200)
Non-GAAP net loss	(7,993)	(8,319)	(6,037)	(6,794)	(7,987)	(7,557)	(7,601)	(11,724)	(8,990)	(8,840)	(5,990)	(3,970)	(14,076)	(34,869)	(27,790)	(5,300)
Basic and diluted net loss per share	$ 0.03	$ (0.02)	$ (0.16)	$ (0.11)	$ (0.15)	$ (0.26)	$ (0.25)	$ (0.16)	$ (0.13)	$ (0.13)	$ (0.11)	$ (0.09)	$ (0.30)	$ (0.82)	$ (0.46)	$ (0.11)
Yr-to-yr growth	-149.5%	-91.2%	-13.3%	-74.7%	-592.4%	1006.1%	60.1%	47.1%	-9.1%	-51.6%	-54.2%	-44.7%	-67%	169%	-44%	-77%
Non-GAAP loss per share	(0.31)	(0.19)	(0.13)	(0.15)	(0.17)	(0.15)	(0.14)	(0.21)	(0.12)	(0.12)	(0.08)	(0.05)	(0.35)	(0.66)	(0.37)	(0.07)
Share outstanding (millions)	25,468	44,060	45,645	46,000	47,606	51,703	55,462	56,717	72,494	75,000	76,000	77,000	40,630	52,872	75,124	77,000
Diluted shares outstanding	26,257	44,060	45,645	46,000	47,606	51,703	55,462	56,717	72,494	75,000	76,000	77,000	40,630	52,872	75,124	77,000
Yr-to-yr growth	10.0%	84.5%	89.8%	84.0%	86.9%	17.3%	21.5%	23.3%	52.3%	45.1%	37.0%	35.8%	69%	30%	42%	2%

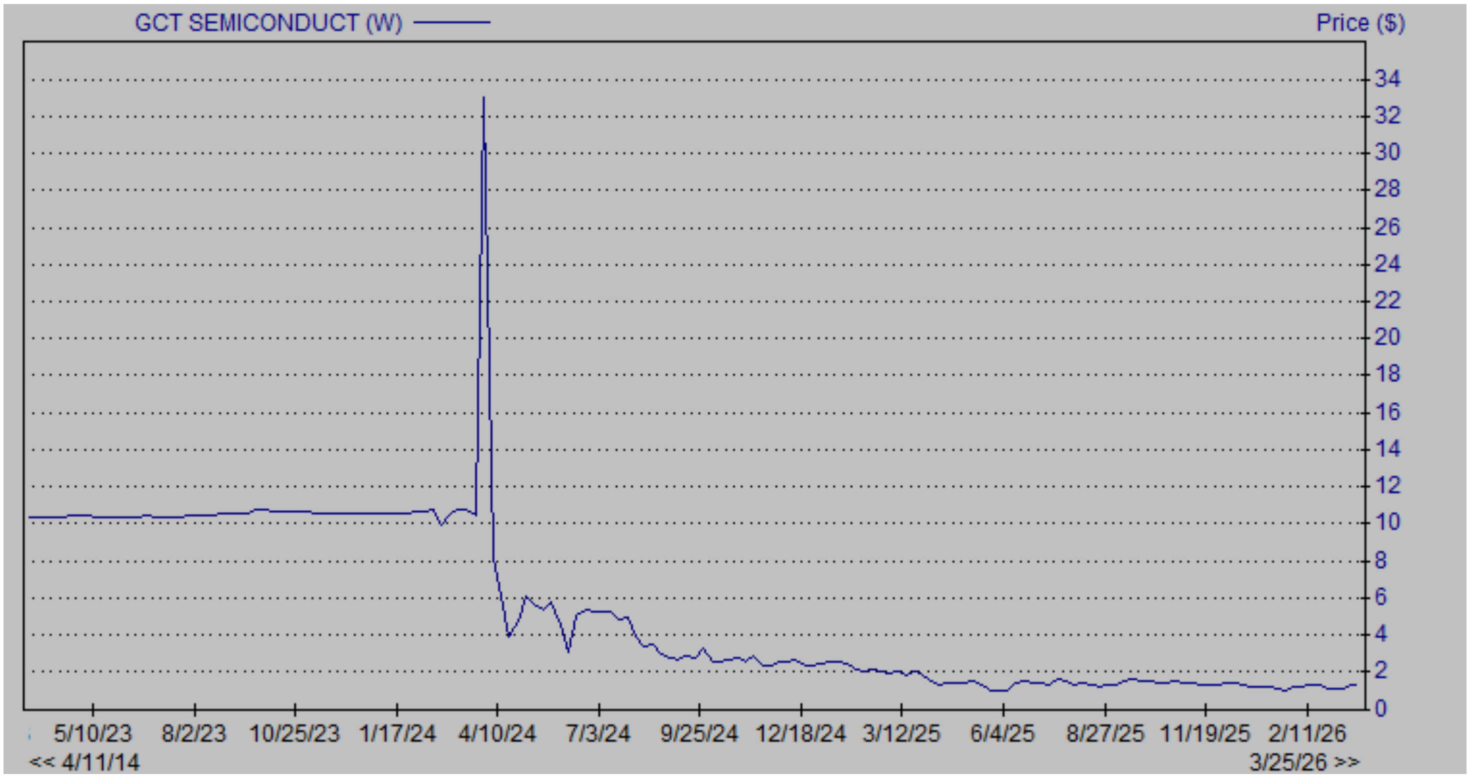
BALANCE SHEET

Dollars in thousands	Dec. 31, 2025	Sept. 30, 2025	Qtr-Qtr % Growth	Dec 31, 2024	Yr-Yr % Growth
Current					
Cash and cash equivalents	**$ 590**	**$ 8,343**	-93%	**$ 1,435**	-59%
Accounts receivable	2,597	3,686	-30%	5,740	-55%
Inventory	947	1,905	-50%	2,977	-68%
Contract assets	5,432	5,631	-4%	5,107	6%
Prepaids and other current assets	2,318	2,302	1%	2,332	-1%
Current Assets	11,884	21,867	-46%	17,591	-32%
Property and equipment	2,671	1,582	69%	869	207%
Right of use asset	708	412	72%	849	-17%
Intangible assets	0	10	-100%	65	-100%
Other assets	381	404	-6%	523	-27%
Total Assets	15,644	24,275	-36%	19,897	-21%
Liabilities					
Accounts payable	628	1,053	-40%	1,031	-39%
Contract liabilities	0	11	-100%	48	-100%
Accrued and other current liabilities	21,680	20,970	3%	21,205	2%
Common stock forward liability	3	4	-25%	315	-99%
Borrowings	**55,589**	**59,413**	-6%	37,626	48%
Convertible promissory note	**0**	**5,287**	-100%	**0**	NA
Operating lease liabilities	686	372	84%	697	-2%
Current Liabilities	78,586	87,110	-10%	60,922	29%
Convertible promissory notes, net	6,046	0	0%	4,947	22%
Net defined benefit liabilities	7,598	7,913	-4%	7,055	8%
Lease liability	41	63	-35%	177	-77%
Income taxes payable	2,265	2,330	-3%	2,076	9%
Warrant liability	2,870	6,923	-59%	3,750	-23%
Other liabilities	531	85	525%	285	86%
Total liabilities	97,937	104,424	-6%	79,212	24%
Shareholders' Equity					
Common stock	6	6	0%	5	20%
Additional paid in capital	520,925	515,603	1%	501,195	4%
Accumulated other comprehensive income	1,181	630	87%	1,518	-22%
Accumulated deficit	(605,405)	(596,388)	2%	(562,033)	8%
Shareholder's Equity	(83,293)	(80,149)	4%	(59,315)	40%
Tot Liabilities and Share. Equity	$ 14,644	$ 24,275	-40%	$ 19,897	-26%
Cash and cash equivalents	$ 590	$ 8,343	-93%	$ 1,435	-59%
Current ratio	0.2	0.3	-40%	0.3	-48%
Quick ratio	0.1	0.2	-39%	0.2	-42%
Working capital	(66,702)	(65,243)	2%	(43,331)	54%
Debt	61,635	64,700	-5%	37,626	64%
Debt as a % of assets	394%	267%	48%	189%	108%

CASH FLOWS

Dollars in Thousands	Mar. 31, 2024	Jun. 30, 2024	Sep. 30, 2024	Dec. 31, 2024	2024	Mar. 31, 2025	Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025	2025
OPERATING ACTIVITIES										
Net loss	$ 757	$ (1,043)	$ (7,121)	$ (4,972)	$ (12,379)	$ (6,968)	$ (13,538)	$ (13,849)	$ (9,017)	$ (43,372)
Adjustments for:										
Depreciation and amortization	206	173	149	163	691	170	161	175	238	744
Loss on impairment of long-lived assets	0	0	0	787	787	0	0	0	0	0
Amortization of right of use assets	176	171	116	171	634	171	178	171	187	707
Stock-based compensation	1,223	323	573	581	2,700	511	512	1,871	3,436	6,330
Issuance of common stock to underwriter	0	667	0	0	667	0	0	0	0	0
Change in provision for credit losses	247	(794)	0	116	(431)	311	1,055	(14)	1,461	2,813
Change in FV of common stock liab.	0	0	0	0	0	(295)	0	(16)	(1)	(312)
Change in FV of warrant liabilities	4,626	(6,628)	(759)	553	(2,208)	(1,649)	1,010	3,812	(4,053)	(880)
Change in FV of conv. promissory note	1,203	(14)	165	116	1,470	19	157	164	(4)	336
Loss from initial recogition of stock forward liab.	0	586	0	0	586	0	0	0	0	0
Gain on extinguishment of liability	(14,636)	0	0	0	(14,636)	0	0	0	0	0
Net change in non-cash working capital accounts:										
Accounts receivable	(501)	754	(1,148)	556	(339)	888	(340)	154	(372)	330
Inventory	(298)	(213)	(1,113)	133	(1,491)	(147)	129	1,090	958	2,030
Contract assets	(874)	(302)	(483)	(9)	(1,668)	(392)	(463)	331	199	(325)
Prepaid and other current assets	(2,292)	590	1,681	1,085	1064	1144	202	(923)	(236)	187
Other assets	24	20	26	(397)	(327)	24	55	40	23	142
Accounts payable	(2,713)	(643)	1,028	(235)	(2,563)	407	(890)	505	(424)	(402)
Contract liabilities	(13)	(12)	488	(463)	0	(12)	(12)	(13)	(11)	(48)
Accrued and other current liabilities	(1,067)	(3,340)	1,367	(192)	(3,232)	(1,890)	3,078	(25)	42	1,205
Net defined benefit liabilities	109	242	323	(194)	480	237	895	(179)	(417)	536
Income tax payable	(83)	54	64	56	91	(96)	(228)	(125)	426	(23)
Lease liabilities	(177)	(164)	(114)	(165)	(620)	(172)	(622)	(29)	(94)	(917)
Other liabilities	(330)	(76)	131	42	(233)	(212)	23	(3)	436	244
Cash flows from operating activities	(14,413)	(9,649)	(4,627)	(2,268)	(30,957)	(7,951)	(8,638)	(6,863)	(7,223)	(30,675)
										0
INVESTING ACTIVITIES										
Purchase of property and equipment	0	(131)	(54)	(357)	(542)	(118)	(91)	(934)	(1,268)	(2,411)
Cash flows from investing activities	0	(131)	(54)	(357)	(542)	(118)	(91)	(934)	(1,268)	(2,411)
FINANCING ACTIVITIES										
Proceed from borrowings	0	0	3,696	8,164	11,860	7,500	0	14,263	0	21,763
Proceeds from common stock	0	2,815	7,239	(1,522)	8,532	189	1	0	0	190
Proceeds from common stock ATM	0	0	0	0	0	0	487	983	815	2,285
Proceeds from common stock & warrants RD	0	0	0	2,240	2,240	0	11,000	0	0	11,000
Proceeds from exercise of options	0	0	13	2	15	19	2	0	0	21
Payment of issuance costs	0	0	0	0	0	0	(847)	(308)	(26)	(1,181)
Taxes withheld on RSUs	0	0	0	0	0	(11)	0	0	0	(11)
Proceeds from reverse cap and PIPEs	17,238	0	0	0	17,238	0	0	0	0	0
Proceeds from conv. promissory notes	16,290	0	0	0	16,290	0	0	0	1,860	1,860
Repayments of borrowings	(3,254)	(4,599)	(6,212)	0	(14,065)	0	(2,212)	0	(1,469)	(3,681)
Repayments of conv. promissory notes	0	(630)	(1,000)	(4,007)	(5,637)	0	0	0	0	0
Cash flows from financing	30,274	(2,414)	3,736	4,877	36,473	7,697	8,431	14,938	1,180	32,246
EFFECT OF EX RATE ON CASH	3	107	(1,278)	(2,629)	(3,797)	(24)	525	(64)	(442)	(5)
NET CHANGE IN CASH	15,864	(12,087)	(2,223)	(377)	1,177	(396)	227	7,077	(7,753)	(845)
CASH AND CASH EQUIVALENTS, beg.	258	16,122	4,035	1,812	258	1,435	1,039	1,266	8,343	1,435
CASH AND CASH EQUIVALENTS, end	16,122	4,035	1,812	1,435	1,435	1,039	1,266	8,343	590	590
Cash flow	(6,198)	(6,559)	(6,877)	(2,485)	(22,119)	(7,730)	(10,465)	(7,686)	(7,753)	(33,634)
Free cash flow	(6,198)	(6,690)	(6,931)	(2,842)	(22,661)	(7,848)	(10,556)	(8,620)	(9,021)	(36,045)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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