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Zacks Small-Cap Research

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FatPipe Inc. (NASDAQ: FATN)

FATN: Raising FYQ1 and Calendar Year Numbers Based on Preliminary Results

We believe FatPipe's valuation should be compared to peer companies that trade at an average of 7.7 times EV/2026 calendar sales. We think a 3.9 times multiple would be conservative, yielding $6.00.

Current Price (4/30/26)	$3.04
Valuation	**$6.00**

OUTLOOK

FatPipe offers patented advanced data communication software that securely connects offices and clouds into one cohesive network. It aggregates multiple data lines from multiple data carriers, using any last-mile connection including 5G and satellite, into a single, seamless corporate network accessible anywhere in the world. It offers this software as a SaaS and also sells the hardware needed to use the software. The company had its IPO in April 2025 and has used to proceeds to increase its direct sales force to spur sales growth.

SUMMARY DATA

52-Week High	**$11.58**
52-Week Low	**$1.45**
One-Year Return (%)	**-64.2**
Beta	**2.6**
Average Daily Volume (sh)	**2,608,474**
Shares Outstanding (mil)	**13.9**
Market Capitalization ($mil)	**$42.3**
Short Interest Ratio (days)	**0.1**
Institutional Ownership (%)	**8.8**
Insider Ownership (%)	**46.2**
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	**136.3**
P/E using FY2026 Estimate	**13.2**
P/E using FY2027 Estimate	**14.5**

Risk Level	**High**
Type of Stock	**Small Blend**
Industry	**Networking**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2024	N/A	N/A	N/A	N/A	17.9 A
2025	3.8 A	5.5 A	3.1 A	3.8 A	16.3 A
2026	3.9 A	4.0 A	4.1 A	6.8 E	18.8 E
2027					20.2 E

GAAP EPS

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2024	N/A	N/A	N/A	N/A	0.35 A
2025	-0.05 A	0.13 A	0.01 A	-0.03 A	0.15 A
2026	0.05 A	-0.00 A	0.02 A	0.16 E	0.23 E
2027					0.21 E

WHAT'S NEW

FatPipe Releases Preliminary Results for FYQ4 Ending March 31

Today, the company said its preliminary revenues for FYQ4, ending March 31, 2026, would be in the range of $6.6 million to $7.0 million, and its adjusted EBITDA would fall between $3.0 million and $3.2 million. As a result, we are raising Q4 numbers to the midpoint of both. The company will report this quarter on May 18th after the close.

This brings FYQ4 EPS up to $0.16 per share compared to our previous estimate of $0.06. Our FY2026 estimates are now revenues of $18.8 million, up 15.3%, and EPS of $0.23 compared to $0.15 the year before (up 51.9%). Adjusted EBITDA for the year is estimated at $5.5 million versus $5.0 million in FY2025. We will revisit our FY2027 numbers after the company reports.

Given the increase in valuation of its peers and the increase in our 2026 calendar year revenue estimate, we are raising our current valuation from $5.00 to $6.00 per share.

During the Quarter

On March 31, 2026, FatPipe announced a new partnership with TD SYNNEX, a leading global distributor and solutions aggregator for the IT ecosystem. It has 150,000 customers in 100+ countries and is headquartered in Clearwater, Florida, and Fremont, California. Its 23,000 employees sell IT products, services, and solutions from over 2,500 vendors.

On April 28, 2026, FatPipe announced its VeloCloud Replacement Program to help enterprises and channel partners rapidly replace legacy VeloCloud deployments (now part of Arista Networks, NASDAQ: ANET) with FatPipe's SD-WAN platform. It offers:

- Best Customer Pricing: at a minimum, 15% discount on the TCV of the existing VeloCloud contract for customers who come directly to FatPipe.
- Channel Partner Incentive: 10% rebate on signed total contract value (TCV) for partners who bring VeloCloud replacement opportunities to FatPipe.
- Zero-Cost Migration Assistance: Fully managed onboarding and cutover with no additional cost

On April 29, 2026, FatPipe announced expanded availability of its solutions across multiple government and education procurement contract vehicles. FatPipe is now accessible through the NASA Solutions for Enterprise-Wide Procurement (SEWP) contract for federal agencies and authorized users. It is also available through the Equalis Group cooperative purchasing program in partnership with TD SYNNEX, for public sector and education customers.

KEY POINTS

- FatPipe is an SD-WAN (Software-Defined Wide Area Network) provider that sells a service to manage the networks of small and medium-sized enterprises. Its patented solution is a software platform, often sold with an appliance, with additional application modules for cybersecurity, SIEM (Security Information and Event Management), and email security. In contrast to its competitors, it provides customers with one vendor to call for all network problems, and it can provide a hybrid solution that combines on-premise assets and cloud services, resulting in significantly lower costs for the customer.

- For the next year and beyond, management is focused on revenue growth and has taken the IPO proceeds to add to the sales effort. Since last year, it has more than tripled its salesforce from eight to 24 people as of the end of December, and as these salespeople become more productive, revenues should accelerate. The company plans to add another 12 salespeople in large cities where it does not have a presence. Management is also adding other channel partners, both traditional Value Added Resellers (VARs) and Internet Service Providers (ISPs).

- The company launched its new all-in-one platform, "Total Security 360," on October 6th and is now selling it as an upgrade to its current customers. It is an advanced single-stack security solution that can be deployed in both the cloud and on-premises. This upgrade can cost as much as three times as much as its base SD-WAN platform and provides the potential for significant revenue increases from current customers as well as new customers. Total Security 360 only became available after the September quarter ended.

- FatPipe's software is written in-house, and all of its parts are fully integrated, in contrast to its major competitors, Fortinet and Cisco, which have bought companies and offer somewhat unintegrated solutions. FatPipe wrote and owns foundational patents for SD-WANs and can offer a platform differentiated from the competition. As primarily hardware providers, Fortinet, Cisco, and other competitors expect customers to primarily manage their own networks and target large companies with large IT staffs. FatPipe offers first-party management for its customer solutions.

- The company has been booking revenues upfront like traditional software companies, leading to lumpy quarters when big purchase orders come in. After the fiscal year ends, it may choose to move to more SaaS-like revenue recognition, booking revenues ratably throughout the contract, which would lead to more predictable and smoother revenues. The reason revenues were down year over year in FYQ2 is that the year before, their largest reseller booked an exceptionally large order.

- The company IPOed on April 7, 2025, at $5.75. and hit an all-time high of $23.27. Since then, the stock has fallen significantly as long-time shareholders sold off stock and the company reported down revenues in its first six months as a public company due to a comparison with the exceptionally strong first half of the year before. The stock hit a low just before the company reported its December quarter results. After reporting a 30% revenue growth in the quarter, and now preliminary FYQ4 revenues and adjusted EBITDA, the stock has begun to recover.

- Its enterprise value is now $41 million. It has an estimated 2026 calendar revenue of $21 million, giving it an EV/Sales ratio of 1.9 times, compared with comparable companies that average 7.7 times. We believe that as the company shows revenue growth and returns to its historical high margins, its multiple will expand. Using just half the peer multiple, that would make FatPipe stock worth $6.00 per share.

OVERVIEW

FatPipe Inc. was founded in 2010 and is headquartered in Salt Lake City, Utah, with a branch in Chennai, India. Its products are used by more than 2,500 customers across various industries, including government, financial services, healthcare, and manufacturing. As of February 4, 2025, the company had 154 full-time employees, comprised of 57 in the US, 92 in India, and 5 in the Philippines. The company went public on April 9, 2025, selling 791,024 shares of common stock at $5.75 per share and raising net proceeds of approximately $3.7 million. It is using the cash to increase its salesforce to spur growth. The salesforce was increased from eight in Q2FY2025 to 24 today. In its experience, sales team members break even in three to six months. In addition to direct sales, the company uses a network of over 100 reseller partners. The nation's largest ISP is its largest reseller and contributes almost half of its sales.

FatPipe's main service is managing networks for small to medium organizations using its SD-WAN (Software Defined- Wide Area Network) platform. It has a vast quantity of intellectual property due to the research of its founders, who came from academia. It owns the basic patents for network rollover when there is a failure, and it has defended its patents in court against Cisco and Oracle, both of whom subsequently settled. While FatPipe typically sells its solution as software loaded on a generic appliance, what the customer pays for is the highly differentiated integrated software platform and the support FatPipe provides. FatPipe offers advanced data communication software that securely connects offices and clouds into one cohesive network. It aggregates multiple data lines from multiple data carriers, using any last-mile connection, including 5G and satellite, into a single, seamless corporate network accessible anywhere in the world. Versus most competitors, FatPipe provides one vendor to manage the entire network with a simple, predictable payment schedule. As the company likes to say, "for the price of a latte, we provide network security, cybersecurity, and email spam and attachment sandboxing, per employee, for a whole month."

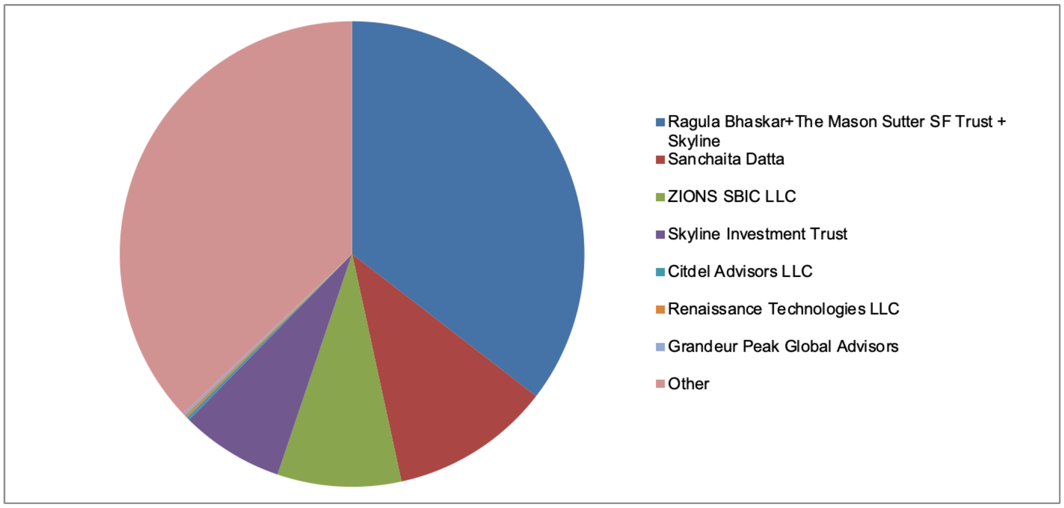
FatPipe's biggest reseller sells FatPipe's SD-WAN as part of its service offering, which is an upsell from just providing internet access or telecom services. Using FatPipe, a customer can separate its networking traffic into two categories: one stream that needs to access the entity's data center for content that is on its servers, and one stream that is looking for content on the internet. For example, a school district will have users looking for information that is stored on its servers (grades, courseware, attendance) and other users that just want to access the internet (social media, research, news) or sources external to the schools. Using FatPipe, the external users go straight to the internet and not via the data center. This is a huge money-saver, as the needed bandwidth will be lower, and the latency will be decreased. No other vendor can do this.

A single FatPipe solution replaces multiple products, offering simpler installation and decreased maintenance costs as well as a single point of contact per company for all networking needs. In one FatPipe SD-WAN product, all the technology needed (i.e., multiple data lines, data carriers, and/or telecommunications companies) is packaged together to connect corporate networks into a seamless, extremely reliable, and highly redundant ecosystem. If any line fails, patented technology prevents the loss of voice and/or data connections by seamlessly failing over the data to the next available line in less than a second. Its firewall and full suite of security features provide network protection from cyber-attacks and optimize productivity via tools such as web filters, geo-blocking, and intrusion prevention/detection to halt unauthorized access to non-productive or malicious sites.

FatPipe's newest offering is Total Security 360, which incorporates cybersecurity, SIEM, and email security into a single product. Customers have previously had to buy these applications as separate modules, either from FatPipe or other vendors, making management more complicated. Total Security 360 places all of its features accessible through a single platform, producing a holistic outlook on what is going on, and one phone call to make when there is a problem.

OWNERSHIP

Ragula Bhaskar and Sanchaita Datta are husband and wife, and as a family, they own 46% of the common stock.



VALUATION

For comparables, we are using FatPipe's main competitors that also provide SD-WAN solutions. To calculate the average, we are excluding the high and the low. Broadcom, in particular, is taken out because it is expected to have exceptionally high growth from its data center optical connection products. We see below that the average company trades at an EV/Sales ratio of 7.7 times the estimated calendar 2026 sales and also has an average EBITDA margin of 23%. FatPipe has yet to demonstrate consistent revenue growth and should be at the lower end of the range it improves. If we take half the 7.7 and use 3.9 times, that puts FATN at an enterprise valuation of $82 million, a market value of $83 million, and a stock price of approximately $6.00 per share.

	Ticker	Calendar 2027E	Calendar 2026E	LTM	EBITDA	EBIDTA Margin	Enterprise Value / Sales 2027E	2026E	LTM	Included in Average?	Enterprise Value
Arista Networks	ANET	$13,940	$11,440	$9,010	3,930	44%	14.8x	18.1x	22.9x	y	206,730
Broadcom	AVGO	$174,000	$121,530	$68,280	37,220	55%	11.7x	16.7x	29.7x	n	2,030,000
Cisco	CSCO	NA	$63,280	$59,050	16,290	28%	NA	5.9x	6.4x	y	375,720
Ericsson	ERIC	$231,480	$227,480	$230,988	35,870	16%	0.2x	0.2x	0.2x	n	36,210
Extreme Networks	EXTR	NA	$1,324	$1,250	94	8%	NA	2.2x	2.4x	y	2,950
Fortinet	FTNT	$8,400	$7,600	$6,800	2,230	33%	7.0x	7.8x	8.7x	y	59,140
Hewlett Packard Enterprise	HPE	NA	$41,980	$35,700	4,890	14%	NA	1.3x	1.5x	y	54,940
Palo Alto Networks	PANW	NA	$12,680	$9,890	1,540	16%	NA	11.1x	14.3x	y	141,260
Average						**23%**	**6.7x**	**7.7x**	**9.4x**		**140,123**
FatPipe	FATN		21	15	4	25%		1.9x	2.7x		41

RISKS

- Given the way the company books software revenue upfront, its quarterly sales are quite variable and unpredictable, depending on when contracts are implemented.
- Dr. Ragula Bhaskar and Sanchaita Datta own 46% of the stock and together hold the positions of Chairman of the Board, CEO, President, and CTO. Others have minimal say in governance and management.
- The company has three major partners that accounted for 47.2% of the company’s consolidated revenues for the nine months ended December 31, 2025. The largest contributed $5.1 million or 42.9% in revenue for the nine months ended December 31, 2025, and $5.9 million or 47.1% for the nine months ended December 31, 2024. Partner B contributed $356,000 or 3.0% for the nine months ended December 31, 2025, and $578,000 or 4.6% for the nine months ended December 31, 2024. Partner C contributed $159,000 or 1.3% for the nine months ended December 31, 2025, and nothing last year.

INCOME STATEMENT

	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March					
(in thousands)	FYQ1 25	FYQ2 25	FYQ3 25	FYQ4 25	FYQ1 26	FYQ2 26	FYQ3 26	FYQ4 26E	FYQ1 27E	FYQ2 27E	FYQ3 27E	FYQ4 27E	FY2023	FY2024	FY2025	FY2026E	FY2027E
Product	2,105,347	4,487,946	1,953,706	1,953,706	2,392,303	2,420,579	2,572,879	5,200,000					NA	11,581,464	10,706,169	12,585,761	
Service	868,231	611,100	438,956	438,956	953,287	905,795	898,127	1,000,000					NA	3,421,453	3,110,230	3,757,209	
Consulting	776,742	496,529	756,015	756,015	590,333	632,857	616,780	600,000					NA	2,857,992	2,472,482		
REVENUE	3,750,319	5,595,576	3,148,677	3,794,309	3,935,923	3,959,231	4,087,786	6,800,000	5,600,000	4,500,000	4,200,000	5,900,000	15,795,742	17,860,909	16,288,881	18,782,940	20,200,000
Yr-to-yr Gr.					5%	-29%	30%	79%	42%	14%	3%	-13%		13.1%	-8.8%	15.3%	7.5%
OPERATING EXPENSES																	
Cost of revenue	283,680	229,315	379,870	168,782	226,934	312,904	503,816	600,000	392,000	226,934	226,934	226,934	1,102,500	1,069,574	1,061,647	1,643,654	1,072,802
Gross Margin	3,466,639	5,366,261	2,768,807	3,625,527	3,708,989	3,646,327	3,583,970	6,200,000	5,208,000	4,273,066	3,973,066	5,673,066	14,693,242	16,791,335	15,227,234	17,139,286	19,127,198
% of Sales	92.4%	95.9%	87.9%	95.6%	94.2%	92.1%	87.7%	91.2%	93.0%	95.0%	94.6%	96.2%	93.0%	94.0%	93.5%	91.2%	94.7%
Sales and Marketing	1,014,935	919,392	888,546	931,075	1,051,665	1,202,636	1,282,706	1,300,000	1,300,000	1,600,000	1,700,000	1,800,000	3,352,263	3,396,136	3,753,948	4,837,007	6,400,000
General and Administrative	581,122	1,183,797	573,906	1,083,772	586,999	1,392,675	828,350	900,000	700,000	1,600,000	1,000,000	1,600,000	3,625,743	3,151,924	3,422,596	3,708,024	4,900,000
Product development	423,500	435,402	448,568	479,658	474,457	489,157	453,539	460,000	500,000	500,000	500,000	500,000	1,796,805	1,737,588	1,787,128	1,877,153	2,000,000
Employee cost	587,239	564,298	672,959	967,320	593,191	562,652	616,955	620,000	640,000	650,000	660,000	670,000	2,679,280	2,867,360	2,791,816	2,392,798	2,620,000
Tot Operating Exp.	2,606,796	3,102,889	2,583,979	3,461,825	2,706,312	3,647,120	3,181,550	3,280,000	3,140,000	4,350,000	3,860,000	4,570,000	11,454,091	11,153,008	11,755,488	12,814,982	15,920,000
Operating Income	859,843	2,263,372	184,828	163,702	1,002,677	(793)	402,420	2,920,000	2,068,000	(76,934)	113,066	1,103,066	3,239,151	5,638,327	3,471,746	4,324,304	3,207,198
Operating Margin	22.9%	40.4%	5.9%	4.3%	25.5%	0.0%	9.8%	42.9%	36.9%	-1.7%	2.7%	18.7%	20.5%	31.6%	21.3%	23.0%	15.9%
Interest income	26,090	(15,576)	15,342	16,832	5,799	42,949	41,145	42,000	42,000	42,000	42,000	42,000	134	27,261	42,688	131,893	168,000
Other income	-	-	1,831	-	-	-	-	-	-	-	-	-	59,114	207,661	1,831	-	-
Foreign exchange gain	(27,426)	17,380	60,506	50,923	17,792	27,895	61,361	-	-	-	-	-	(49,973)	27,185	101,383	107,048	-
Interest expense	(86,032)	(86,411)	(118,081)	(39,368)	(69,888)	(126,033)	(104,072)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(107,131)	(302,124)	(329,892)	(399,993)	(400,000)
Total other income	(87,368)	(84,607)	(40,402)	28,387	(46,297)	(55,189)	(1,566)	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)	(97,856)	(40,017)	(183,990)	(161,052)	(232,000)
Profit before tax	772,475	2,178,765	144,426	192,089	956,380	(55,982)	400,854	2,862,000	2,010,000	(134,934)	55,066	1,045,066	3,141,295	5,598,310	3,287,756	4,163,252	2,975,198
Profit margin	20.6%	38.9%	4.6%	5.1%	24.3%	-1.4%	9.8%	42.1%	35.9%	-3.0%	1.3%	17.7%	19.9%	31.3%	20.2%	22.2%	14.7%
Taxes	163,398	551,117	60,054	560,293	215,185	(12,595)	90,192	643,950	452,250	(30,360)	12,390	235,140	255,457	1,318,630	1,334,862	936,732	669,420
Tax Rate	21.2%	25.3%	41.6%	291.7%	22.5%	-22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	8.1%	23.6%	40.6%	22.5%	22.5%
GAAP Net income	609,077	1,627,648	84,372	(368,204)	741,195	(43,387)	310,662	2,218,050	1,557,750	(104,574)	42,676	809,926	2,885,838	4,279,680	1,952,894	3,226,520	2,305,778
Minority income	(16,416)	16,416	-	-	-	-	-	-	-	-	-	-	(25,979)	(87,025)	(13,514)	-	-
Net income to shareholders	(625,493)	1,611,232	84,372	(368,204)	741,195	(43,387)	310,662	2,218,050	1,557,750	(104,574)	42,676	809,926	2,911,817	4,366,705	1,966,408	3,226,520	2,305,778
Yr-to-yr Gr.					-218%	-103%	268%	-702%	110%	141%	-198%	-63%		50.0%	-55.0%	64.1%	-28.5%
GAAP EPS	($0.05)	$0.13	$0.01	($0.03)	$0.05	($0.00)	$0.02	$0.16	$0.11	($0.01)	$0.00	$0.06	$ 0.23	$ 0.35	$ 0.15	$ 0.23	$ 0.22
Yr-to-yr Gr.					-207%	-102%	244%	-684%	108%	140%	-198%	-64%		50.0%	-56.4%	51.9%	-4.7%
Primary and diluted shares out	12,449,308	12,737,886	13,026,464	13,500,000	13,826,468	13,892,903	13,924,468	13,924,468	13,950,000	13,950,000	13,950,000	13,950,000	12,449,308	12,449,308	12,858,852	13,892,077	10,419,264
Yr-to-yr Gr.					11%	9%	7%	3%	1%	0%	0%	0%		0.0%	3.3%	8.0%	-25.0%
Adjusted EBITDA	2,020,364	1,267,090	574,408	1,155,595	1,100,753	819,912	587,547	3,022,837	2,172,000	727,066	217,066	1,207,066	3,821,477	6,337,585	5,017,457	5,531,049	4,323,198
EBITDA Margin	53.9%	22.6%	18.2%	30.5%	28.0%	20.7%	14.4%	44.5%	38.8%	16.2%	5.2%	20.5%	24.2%	35.5%	30.8%	29.4%	21.4%

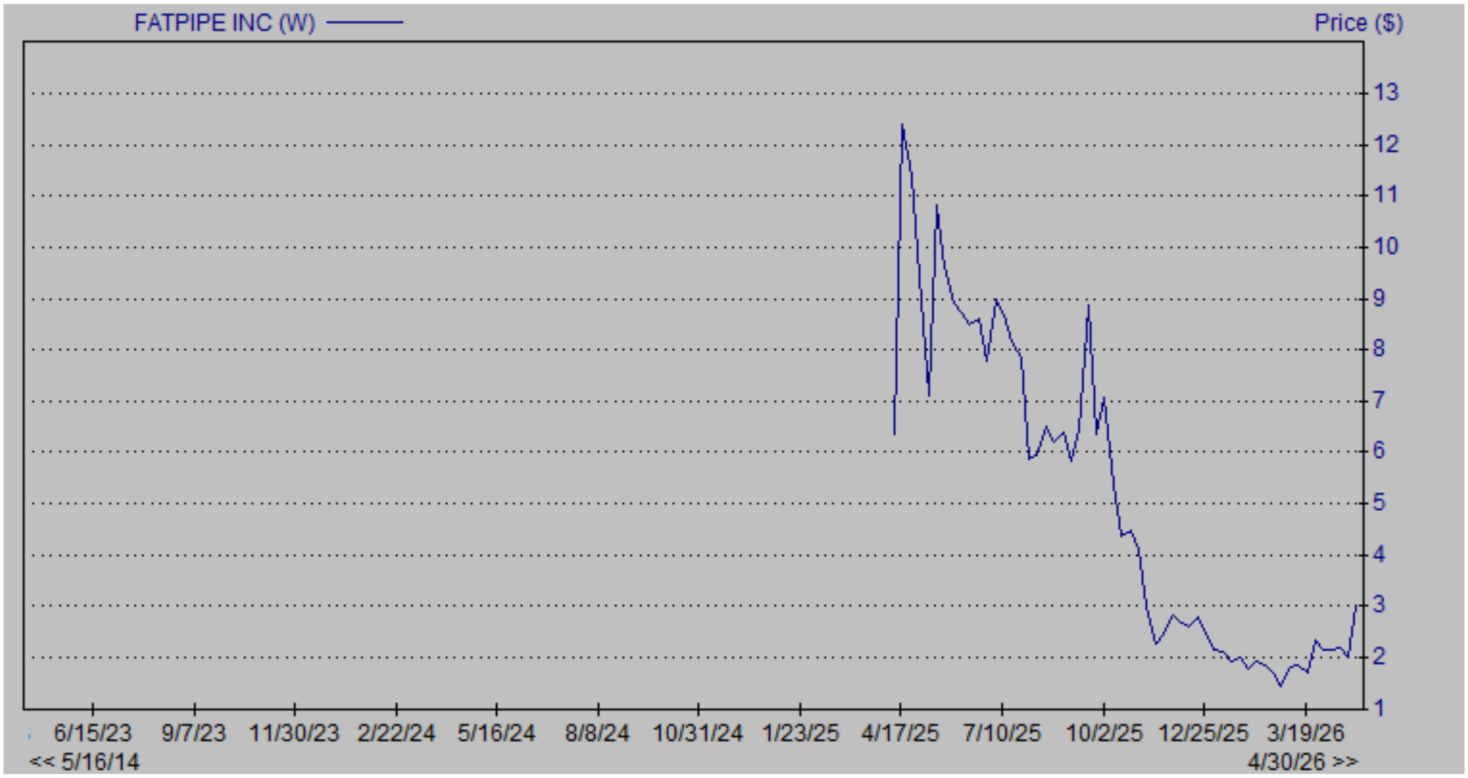
BALANCE SHEET

$ in thousands	Dec 31, 2025	Sept 30, 2025	Qtr-Qtr % Change	Mar. 31, 2025	YTD % Change
CURRENT ASSETS					
Cash and cash equivalents	**$6,163,214**	**$6,229,021**	-1.1%	**$2,920,550**	111.0%
Accounts receivable, net	4,414,594	4,334,621	1.8%	3,764,945	17.3%
Inventory	167,348	328,736	-49.1%	419,677	-60.1%
Other current assets	153,550	230,169	-33.3%	666,376	-77.0%
Contract receivable - current, net	5,670,124	5,481,559	3.4%	5,191,136	9.2%
Total current assets	16,568,830	16,604,106	-0.2%	12,962,684	27.8%
Property and equipment, net	86,731	85,098	1.9%	57,844	49.9%
Intangibile assets, net	764,800	860,748	-11.1%	1,048,620	-27.1%
Operating lease right-of-use assets	1,154,472	1,254,254	-8.0%	1,455,373	-20.7%
Contract receivable - non current, net	13,345,249	12,959,109	3.0%	12,307,266	8.4%
Other non-current assets	381,415	402,805	-5.3%	379,077	0.6%
Deferred tax asset	76,905	76,905	0.0%	76,905	0.0%
TOTAL ASSETS	32,378,402	32,243,025	0.4%	28,287,769	14.5%
CURRENT LIABILITIES					
Accounts payable	352,184	294,762	19.5%	437,253	-19.5%
Accrued expenses and other	3,861,321	3,696,357	4.5%	3,863,096	0.0%
Deferred revenue	1,098,571	1,100,715	-0.2%	1,358,632	-19.1%
Operating lease liabilities, current	394,128	384,687	2.5%	366,677	7.5%
Notes payable, current	**417,323**	**577,706**	-27.8%	**463,422**	-9.9%
Total current liabilities	6,123,527	6,054,227	1.1%	6,489,080	-5.6%
Notes payable, non current	**4,183,321**	**4,183,321**	0.0%	**4,642,317**	-9.9%
Operating lease liabilities	800,033	905,401	-11.6%	1,114,067	-28.2%
Other non-current liabilities	111,343	112,757	-1.3%	116,988	-4.8%
Total liabilities	11,218,224	11,255,706	-0.3%	12,362,452	-9.3%
Common stock	131,245	131,245	0.0%	130,265	0.8%
Additional paid-in capital	5,954,817	6,079,817	-2.1%	1,588,105	275.0%
Retained earnings	12,114,533	11,803,871	2.6%	11,106,063	9.1%
Accumulated other comprehensive income	2,959,583	2,972,386	-0.4%	3,100,884	-4.6%
Total stockholders' equity	21,160,178	20,987,319	0.8%	15,925,317	32.9%
Total liabilities and stockholders' equity	$32,378,402	$32,243,025	0.4%	$28,287,769	14.5%
Current Ratio	2.7	2.7	-1.3%	2.0	35.4%
Quick Ratio	2.7	2.7	-0.4%	1.9	38.6%
Working Capital	10,445,303	10,549,879	-1.0%	6,473,604	61.4%
Cash and equivalents	6,163,214	6,229,021	-1.1%	2,920,550	111.0%
Cash Percent of Assets	19.0%	19.3%	-1.5%	10.3%	84.4%
Debt	4,600,644	4,761,027	-3.4%	5,105,739	-9.9%
Debt Percent of Assets	14.2%	14.8%	-3.8%	18.0%	-21.3%
Change in cash	(65,807)	322,033	-120.4%	3,308,471	-102.0%
Change in debt	(160,383)	(153,490)	4.5%	(344,712)	-53.5%

CASH FLOWS

	Year FY2024	3-Mo 6/30/24	3-Mo 9/30/24	3-Mo 12/31/24	3-Mo 3/31/25	Year FY2025	3-Mo 6/30/25	3-Mo 9/30/25	3-Mo 12/31/25
CASH FLOWS - OPERATING ACTIVITIES									
Net income	$ 4,279,680	$ 609,077	$ 1,627,648	$ 84,373	$ (368,204)	$ 1,952,894	$ 741,195	$ (43,387)	$ 310,662
Income and non-cash expense items:									
Depreciation and amortization	699,257	133,545	133,147	132,662	146,355	545,709	91,957	104,108	102,837
Income tax provision	0	0	714,515	(714,515)	0	0	0	202,590	(202,590)
Allowance for contract receivable	262,167	49,392	84,455	(31,897)	170,107	272,057	33,811	32,691	23,053
Stock-based compensation	0	0	0	0	0	0	0	625,220	0
Allowance for accounts receivable	88,592	0	492,772	12,281	(61,249)	443,804	0	0	0
Loss on sale of asset	49,067	0	0	0	0	0	0	0	0
Bad debts written off during the year	54,754	0	52,942	0	0	52,942	0	0	0
Reversal of allowances account receivable	(197,024)	0	0	0	0	0	0	0	0
Foreign exchange	0	0	10,046	(46,576)	36,530	0	0	0	0
Changes in assets and liabilities:									
Accounts receivable	(689,481)	(301,098)	(388,344)	120,706	(529,384)	(1,098,120)	(201,750)	(367,926)	(79,973)
Contracts receivable	(6,796,849)	(546,374)	(2,117,821)	115,429	(898,568)	(3,447,334)	(757,572)	(251,196)	(597,758)
Inventories	242,428	24,994	(73,943)	(280,361)	23,155	(306,155)	11,517	79,424	161,388
Right of use assets	0	0	0	(965,514)	965,514	0	0	0	0
Other current assets	420,932	(66,467)	(321,307)	287,861	15,929	(83,984)	26,498	409,709	76,619
Accounts payable	176,419	(168,844)	98,095	(15,106)	105,579	19,724	(127,026)	(15,465)	57,422
Other Inon-current iabilities	116,007	(148)	548	(3,484)	4,065	981	51	(62,707)	(1,414)
Other assets	(78,798)	239	(2,467)	(338,585)	148,642	(192,171)	(79)	(23,649)	21,390
Accrued expenses and other current liabilities	929,038	225,324	(19,819)	595,158	680,011	1,480,674	(196,229)	(173,100)	367,554
Operating lease liabilities	410,424	(21,917)	(75,528)	947,569	(834,491)	15,633	9,476	987	3,855
Deferred revenue	(330,038)	(190,188)	(166,649)	(9,976)	206,033	(160,780)	(140,453)	(117,464)	(2,144)
Net cash provided by operating activities	(363,425)	(252,465)	48,290	(109,975)	(189,976)	(504,126)	(508,604)	399,835	240,901
CASH FLOWS - INVESTING ACTIVITIES									
Purchase of equipment, net	(19,188)	(1,955)	14,183	(24,976)	(4,014)	(16,762)	(42,449)	7,002	(8,522)
Investment in intangible	0	(3,000)	3,000	0	(3,000)	(3,000)	0	0	0
Net cash provided by (used in) investing activities	(19,188)	(4,955)	17,183	(24,976)	(7,014)	(19,762)	(42,449)	7,002	(8,522)
CASH FLOWS - FINANCING ACTIVITIES									
Proceeds from debt	500,000	0	0	513,652	5,000,000	5,513,652	0	0	0
Repayment of debt	0	0	0	0	(3,027,913)	(3,027,913)	(191,222)	(95,065)	(160,383)
Issuance of shares in IPO	0	0	0	0	0	0	3,784,474	83,000	(125,002)
Proceeds from related parties	120,000	0	0	0	0	0	0	0	0
Repayment of financing obligations of lease	(414,322)	0	(87,424)	87,424	0	0	0	0	0
Net cash used in financing activities	205,678	0	(87,424)	601,076	1,972,087	2,485,739	3,593,250	(12,065)	(285,385)
Effect of foreign exchange rate change	211,952	(87,256)	99,958	304,188	(470,712)	(153,822)	(55,759)	(72,739)	(12,803)
INCREASE (DECREASE) IN CASH & EQUIVALENTS	35,017	(344,676)	78,007	770,313	1,304,385	1,808,029	2,986,438	322,033	(65,809)
CASH & CASH EQTS - BEGINNING OF PERIOD	1,077,502	1,112,519	767,843	845,850	1,616,163	1,112,519	2,920,550	5,906,988	6,229,023
CASH & CASH EQUIVALENTS - END OF PERIOD	1,112,519	767,843	845,850	1,616,163	2,920,548	2,920,548	5,906,988	6,229,023	6,163,214
SUPPLEMENTAL DISCLOSURE OF CASH FLOW									
Cash paid for interest	302,124	302,124	(129,681)	118,081	39,368	329,892	69,888	126,033	104,072
Operating Cash Flow	$ 5,236,493	$ 792,014	$ 3,115,525	$ (563,672)	$ (76,461)	$ 3,267,406	$ 866,963	$ 921,222	$ 233,962
Free cash flow	$ 5,217,305	$ 790,059	$ 3,129,708	$ (588,648)	$ (80,475)	$ 3,250,644	$ 824,514	$ 928,224	$ 225,440

HISTORICAL STOCK PRICE



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