

Zacks Small-Cap Research

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Gaxos.AI Inc.

(NASDAQ: GXAI)

GXAI: Gaxos.AI Continues Its Rapid Growth and Makes a New Investment

We believe that Gaxos.AI's stock is worth \$2.70 per share based on a blended EV to Sales Ratio of its two lines of business, in line with those of its peers.

Current Price (5/19/26) **\$1.14**
Valuation **\$2.70**

OUTLOOK

Gaxos.AI is comprised of two main startups: RNK Health and Gaxos Labs. The large majority of revenues comes from RNK Health, a majority-owned subsidiary that markets wellness products online. It advertises and markets products, primarily peptides such as NAD+ (which is the vast majority of sales), Sermorelin, and Glucagon-Like Peptides (GLP-1s) on its website and orders are fulfilled through its fulfillment partners. It looks to add more products such as testosterone, enclomiphene, supplements, and hormone replacement in the near future. Gaxos Labs offers web and mobile-based generative AI tools, utilities, and lifestyle apps such as Art-Gen.ai, that allows users to generate images and videos in a variety of useful ways, UnGPT.ai that offers users the ability to humanize ai-written text, as well as others. Gaxos Labs has a robust pipeline of applications that are set to launch in the near term.

SUMMARY DATA

52-Week High **\$2.76**
52-Week Low **\$1.03**
One-Year Return (%) **-8.8**
Beta **0.9**
Average Daily Volume (sh) **363,882**

Shares Outstanding (mil) **10.2**
Market Capitalization (\$mil) **\$11.6**
Short Interest Ratio (days) **0.0**
Institutional Ownership (%) **48**
Insider Ownership (%) **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 **N/A**

P/E using 2026 Estimate **N/A**

P/E using 2027 Estimate **N/A**

Risk Level **High**
Type of Stock **Small Value**
Industry **Software & Services**

ZACKS ESTIMATES

Revenue

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	0.0 A	0.0 A	0.0 A	0.0 A	0.0 A
2025	0.0 A	0.2 A	0.5 A	1.2 A	1.9 A
2026	1.8 A	1.8 E	1.8 E	1.9 E	7.0 E
2027					10.0 E

Earnings Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-\$0.91 A	-\$0.72 A	-\$0.61 A	-\$0.32 A	-\$1.92 A
2025	-\$0.17 A	-\$0.11 A	-\$0.14 A	-\$0.13 A	-\$0.55 A
2026	-\$0.25 A	-\$0.15 E	-\$0.15 E	-\$0.15 E	-\$0.64 E
2027					-\$0.62 E

Gaxos.AI Continues its Rapid Growth Across Both Businesses

Gaxos.AI continues to beat on the top line as it spends on advertising and brings in new customers. Again, we have to raise revenue estimates as the company is bringing in customers faster than expected. As a result, we are raising our revenue forecast for the year to \$8.7 million. Initially, a customer will be unprofitable as the company absorbs the loss of acquiring them, but repeat orders add to profits. Management is exploring ways to increase its profit margins and is testing using different partners for fulfillment for the health business as a possible way to do that.

During the quarter, the company invested in [America First Defense](#) .ai LLC (AFD) by acquiring a 19.99% stake in this New Mexico-based defense technology start-up for \$2.9 million in cash. Gaxos says that America First Defense is a defense technology company developing next-generation security platforms across both air and ground domains. The company is focused on two high-priority categories: a detachable counter-drone system designed to neutralize hostile UAVs through precise protocol-level cyber-attacks without collateral jamming, and a biomimetic soft robotics platform engineered for low-detection ground and subsurface operations. Gaxos announced that AFD had secured a license for the [Detachable Drone Highjacker](#) (DDH), a drone-mounted electronic warfare payload originally developed at the Naval Postgraduate School to counter and defeat hostile Unmanned Aircraft Systems (UAS). The licensing agreement positions America First Defense to further develop and commercialize a scalable airborne counter-UAS capability for defense, security, and protection applications. Then on March 18, 2026, Gaxos.ai Inc. announced that America First Defense had been accepted into Anduril's Lattice Program. Anduril's Lattice is an AI-powered, software-defined operating system designed to manage, integrate, and command autonomous defense and security systems.

Q1 2026 Results

In Q1 of 2026, revenues were \$1.8 million versus \$24,000 in the year-ago period. The company established the RNK Health business in October 2024, which contributes the majority of revenues. RNK Health had \$1.2 million in revenue in the quarter, up from \$23,000 last year and \$876,000 in Q4 2025. Gaxos Labs contributed \$563,000 compared with \$57,000 in Q1 2025. At this run rate, the minimum revenue for 2026 would be \$7.2 million, up over 300%. Losses and cash burn increased with increased advertising. The negative cash flow in the quarter more than doubled to \$2.3 million. We expect the company to continue to spend on advertising as it grows revenues. We do not expect the company to break even until 2028 or later.

The company ramped up advertising for both RNK Health and Gaxos Labs. In the quarter, an incremental \$1.8 million was spent in connection with the marketing of RNK Health services, and an increase in advertising and marketing fees of \$754,814 in connection with the marketing of Gaxos Labs. While we expect advertising spend to increase, it may not be as rapidly. Total operating expenses for Q1 were \$4.4 million versus \$1.4 million a year ago.

R&D expense increased by \$225,000 as features are added and software is improved. The operating loss increased to \$2.5 million, up from \$1.4 million in 2024.

Other income was \$63,000, compared to \$160,000 in 2025, with \$74,000 of the difference being a realized loss on equity securities. Net loss after the add-back of minority income losses was \$2.2 million compared to a loss of \$1.2 million. The loss per share was \$0.25, compared with a loss of \$0.17 in 2025. Average shares outstanding increased to 13.4 million in Q1 2026 versus 11.6 million in Q1 2025, or 14%.

Balance Sheet

Gaxos.AI ended the March quarter with \$11.7 million in cash and short-term investments and no debt. The company's cash is managed by Morgan Stanley, which buys short-term bonds and treasuries to increase interest income. Working capital was \$11.6 million. In the quarter, the company had negative free cash flow (excluding changes in working capital) of \$2.3 million.

On January 23, 2026, the company entered into an ATM Agreement with H. C. Wainwright. During the three months ended March 31, 2026, the company issued 3,096,481 shares of its common stock for gross proceeds of \$5,599,431 and received net proceeds of approximately \$5,315,909.

The company ended the March quarter with 10,219,934 shares, 4,509,259 warrants, and 239,084 stock options outstanding. The warrants and options are all out of the money.

During the Quarter

On February 17, Gaxos.ai announced that it finalized a deal with Byteplus, the Enterprise Technology Division of ByteDance, parent of TikTok. Under the agreement, Gaxos receives preferred pricing and significant discounts on ByteDance's cutting-edge video generation models, enabling faster deployment of AI capabilities inside Art-Gen, Gaxos' AI image and video creation platform.

Amazon Web Services agreed to fund early development of Gaxos.AI's AI-driven sales coaching platform. Gaxos.AI is working with AWS partner Caylent to develop a real-time sales platform featuring live call transcription, automated coaching insights, and post-call analytics.

After the Quarter Ended

On April 16th, Gaxos.ai announced AI Music Generation, AI Chat, and AI 3D Model Creation capabilities to its AI portfolio. The new features give users more ways to create, interact, and generate digital content through a unified and increasingly robust platform.

KEY POINTS

- Gaxos.AI is primarily comprised of two businesses: RNK Health and Gaxos Labs. The former sells peptides, GLP-1s, wellness, and health products through eCommerce, accounting for 78% of sales in 2025 and 69% in Q1 2026; the latter offers web- and mobile-based Generative AI subscription tools and services.
- Both businesses are in the start-up phase, having launched only last fall, with RNK Health generating most of the revenues. Based on the last reported quarter, the health business is currently at a \$5.0 million run rate and growing rapidly. Gaxos Labs' run rate was \$2.3 million; its main product launched in mid-August.
- The company beat revenue estimates for the first quarter, and business continues to be strong. As a result, we are raising our estimates for 2026 to \$8.6 million in revenue. Expenses, however, continue to rise, so the risk is in EPS and dilution.
- While the company is now burning about \$2.3 million a quarter, it has approximately \$12 million in cash and cash equivalents or \$1.35 per share. This gives it runway for at least a year if cash burn does not increase.
- The stock trades at a negative enterprise value of \$59,000, using \$11.7 million in cash plus short-term investments and the current share count. We believe the stock could be worth \$2.70, based on \$8.6 million in revenue in 2026 at a blended EV-to-Sales, in line with its peers.

OVERVIEW

Gaxos.AI was founded in 2021, IPOed in February 2023 as The NFT Gaming Company, and then changed its name to Gaxos.AI in 2024. The company has only three full-time employees, and the rest are consultants. It comprises four businesses, of which RNK Health is the largest in terms of revenue.

RNK Health

In September 2024, Gaxos.AI formed a wholly-owned subsidiary, [RNK Health](#), to market certain health-related products. On October 10, 2024, Gaxos.AI, RNK Health, and Nekwellness entered into an operating agreement for RNK Health, a subsidiary. Gaxos.AI owns 70% of RNK Health, and Nekwellness owns 30%. In 2025, RNK Health provided 78% of the company's total revenues.

RNK Health is a health and wellness eCommerce business that currently provides access to prescription medications, supplements, and other wellness products and services, primarily NAD+, Sermorelin, and GLP-1s. The vast majority of its sales are currently NAD+. It intends to add other products, such as testosterone replacement therapy (TRT) and hormone replacement therapy (HRT), in many ways following Hims & Hers' strategy, but without taking on inventory or fulfilling orders. Orders are fulfilled through its fulfillment partners, and the company earns a fee from each sale; thus, there is no cost of sales for this business. All the products sold by RNK Health are taken orally, through a nasal spray, or injected. RNK Health's expertise is in eCommerce, digital marketing, and customer acquisition.

Gaxos also had a small health coaching business ([Gaxos Health](#)) that offered diet, fitness, habit, and supplementation plans, along with live coaching based on biomarkers from blood and DNA results, fulfilled by its partners. Gaxos plans to merge this business into RNK Health and add those services to its website offerings.

Gaxos Labs

Gaxos Labs, launched in September 2024, provides web- and mobile-based AI tools and services through its [Art-Gen](#), an AI image and video creation platform; [UnGPT](#), an AI-written text humanization tool; and others. It is ramping quickly. The offerings are sold under a subscription, usage-based pricing system pursuant to a tiered model, allowing customers to choose the subscription level to be charged based on their intended usage.

Another product of the Labs is [Bible Pray AI](#), a personalized, AI-powered spiritual growth platform with a subscription model. It is available on the Apple App Store.

Gaxos Gaming

Gaxos Gaming was the company's initial business and currently generates no revenues. We expect this business will eventually be sold off or closed. It was created to develop, design, acquire, and manage conventional games and to combine these games with unconventional game mechanisms, such as the ability to use AI to create and design in-game features, as well as to mint unique in-game features in the form of NFTs. It has provided Gaxos with significant technology that will be used in current and future businesses.

VALUATION

Gaxos.AI runs primarily two main businesses. As such, it should be valued by looking at the value of each. The main business, a drugs and supplements eCommerce business, can be compared to a handful of public companies, the most well-known of which is Hims & Hers. The Generative AI tool subscription business can be

compared to SaaS platform companies, as shown below. Using 2026 revenue forecasts for both businesses gives an enterprise value of \$15.7 million, a market cap of \$27.5 million, and a share price of approximately \$2.70.

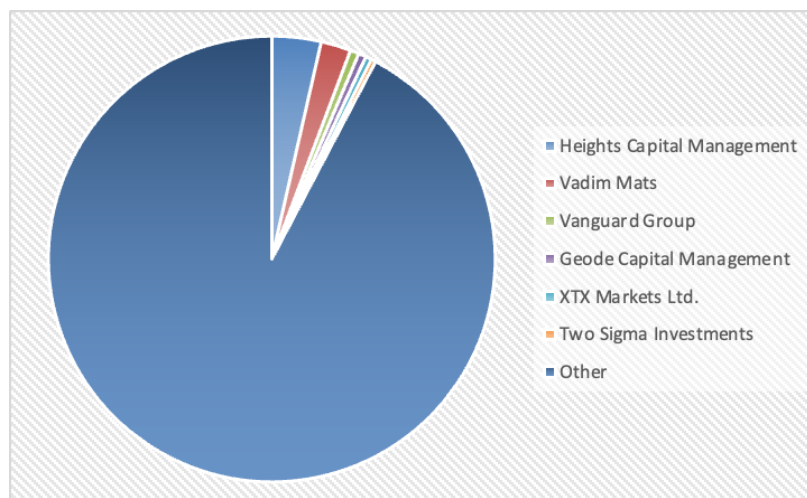
SaaS		Cal. Revenue			TTM		Enterprise Value / Sales			EV/	Enterprise	EBITDA
Company	Ticker	2027E	2026E	LTM	EBITDA	2027E	2026E	LTM	EBITDA	Value	Margin	
Adobe	ADBE	\$28,440	\$26,090	\$24,450	\$9,520	3.6x	3.9x	4.2x	10.7x	102,040	38.9%	
C3AI	AI	NA	\$228	\$307	-\$453	NA	3.6x	2.7x	-1.8x	817	-147.4%	
Elastic	ESTC	NA	\$1,880	\$1,680	-\$16	NA	2.5x	2.8x	-288.2x	4,750	-1.0%	
Ibotta	IBTA	\$376	\$345	\$340	-\$5	1.8x	2.0x	2.0x	-126.1x	687	-1.6%	
Meitu	1357.HK	\$6,130	\$4,930	\$3,860	\$363	3.3x	4.1x	5.2x	55.1x	20,000	9.4%	
Roblox	RBLX	\$8,990	\$7,490	\$5,300	-\$982	3.2x	3.8x	5.4x	-29.1x	28,600	-18.5%	
Salesforce	CRM	\$50,560	\$46,110	\$41,520	\$12,550	3.1x	3.4x	3.8x	12.5x	156,350	30.2%	
Snap	SNAP	\$7,340	\$6,690	\$6,100	-\$242	1.6x	1.7x	1.9x	-47.3x	11,450	-4.0%	
Twilio	TWLO	\$6,360	\$5,820	\$5,300	\$440	4.6x	5.0x	5.5x	66.7x	29,330	8.3%	
WIX	WIX	\$2,580	\$2,280	\$2,060	-\$72	2.0x	2.2x	2.5x	-70.2x	5,080	-3.5%	
Zoom	ZM	\$5,280	\$5,070	\$4,870	\$1,270	4.6x	4.8x	5.0x	19.2x	24,430	26.1%	
Average						2.8x	3.3x	3.7x	-40.9x	28,149	-10.2%	

Health & Wellness		2027E	2026E	LTM	EBITDA	2027E	2026E	LTM	EBITDA	Value	Margin
GoodRx	GDRX	\$819	\$776	\$788	\$109	1.6x	1.7x	1.6x	11.8x	1,290	13.9%
Hims & Hers Health	HIMS	\$3,330	\$2,890	\$2,370	\$83	2.1x	2.4x	3.0x	84.9x	7,080	3.5%
LifeMD	LFMD	\$265	\$223	\$193	-\$14	0.8x	0.9x	1.0x	-14.2x	203	-7.4%
LifeVantage Corp.	LFVN	NA	\$187	\$210	\$12	NA	0.3x	0.3x	5.1x	60	5.6%
Nature's Sunshine	NATR	\$531	\$506	\$490	\$42	0.6x	0.6x	0.7x	7.8x	325	8.5%
WW International	WW	\$644	\$632	\$692	\$130	0.7x	0.7x	0.6x	3.5x	449	18.7%
Average						1.0x	1.1x	1.2x	16.5x	1,568	7.1%

RISKS

- Gaxos.AI is a startup with a variety of business endeavors, none of which make money. There can be no assurances that they ever will. Since they use cash, investors should expect potential dilution of their holdings until the company becomes cash flow positive.
- Health care regulations and prices are currently being changed, and their effects are difficult to predict. For example, the government has just reduced the prices of GLP-1s, and that price change is just beginning to take effect.
- Both of the company's main businesses are extremely competitive, and as a small company supporting losses, it may have difficulty growing its market share.
- The company is burning cash and has sold equity to fund spending, diluting current shareholders.

OWNERSHIP



INCOME STATEMENT

	March Q1 24	June Q2 24	Sept Q3 24	Dec Q4 24	March Q1 25	June Q2 25	Sept Q3 25	Dec Q4 25	March Q1 26E	June Q2 26E	Sept Q3 26E	Dec Q4 26E	2024	2025	2026E	2027E
RNK Health	\$0	\$0	\$0	\$0	\$22,552	\$170,398	\$441,228	\$875,708	\$1,200,000	\$1,300,000	\$1,325,000	\$1,350,000	\$0	\$1,509,886	\$5,175,000	\$6,986,250
Gaxos Labs Subscription Service	\$0	\$0	\$0	\$0	\$51	\$556	\$57,042	\$364,346	\$435,000	\$450,000	\$475,000	\$500,000	\$42	\$421,995	\$1,860,000	\$2,604,000
Health coaching	\$0	\$0	\$2,700	\$1,304	\$1,124	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,952	\$1,124	\$0	\$0
In-app games	\$19	\$0	\$4	\$0	\$5	\$18	\$1	\$1	\$0	\$0	\$0	\$0	\$33	\$25	\$0	\$0
REVENUE	\$19	\$0	\$2,704	\$1,304	\$23,732	\$170,971	\$498,271	\$1,240,056	\$1,635,000	\$1,750,000	\$1,800,000	\$1,850,000	\$4,027	\$1,933,030	\$7,035,000	\$9,590,250
Yr-to-yr Gr.					NM	NA	18327%	94996%	NM	NM	261%	167%	1473%	47902%	264%	36%
OPERATING EXPENSES																
R&D	182,329	249,341	252,657	NA	220,989	243,020	274,021	NA	NA	NA	NA	NA	0	0	0	0
Compensation & related benefits	363,484	153,578	172,502	183,335	588,985	184,753	188,360	307,745	707,745	307,745	300,000	300,000	872,899	1,269,843	1,615,490	1,777,039
Professional fees	274,688	285,673	259,167	126,672	232,890	125,956	192,769	170,521	190,521	170,521	170,000	170,000	946,200	722,136	701,042	700,000
Advertising & marketing	-	-	122,247	NA	NA	NA	903,258	1,530,000	2,600,000	2,700,000	2,800,000	2,900,000	367,351	3,082,784	11,000,000	12,650,000
Other G&A expenses	223,357	165,911	102,000	NA	372,563	599,936	254,618	459,172	450,000	400,000	300,000	260,000	524,695	781,122	1,410,000	1,551,000
Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0
Tot Operating Exp.	1,043,858	854,503	908,573	900,698	1,415,427	1,153,665	1,813,026	2,467,438	3,948,266	3,578,266	3,570,000	3,630,000	3,707,632	6,849,556	14,726,532	16,678,039
Operating Income	(1,043,839)	(854,503)	(905,869)	(899,394)	(1,391,695)	(982,694)	(1,314,755)	(1,227,382)	(2,313,266)	(1,828,266)	(1,770,000)	(1,780,000)	(3,703,605)	(4,916,526)	(7,691,532)	(7,087,789)
Interest income	11,979	45,265	39,409	60,904	148,188	146,902	156,034	161,161	170,000	150,000	140,000	130,000	157,557	612,285	590,000	300,000
Unrealized gain on short-term investments	0	0	0	0	0	8,615	7,419	5,911	0	0	0	0	0	21,945	0	0
Realized gain on short-term investments	119,715	0	2,050	0	11,445	2,605	10,429	5,568	0	0	0	0	121,765	30,047	0	0
Realized loss on exchange of equity securities	-	-	-	-	0	0	0	(29,998)	-	-	-	-	-	(29,998)	0	0
Total other income	131,694	45,265	41,459	60,904	159,633	158,122	173,882	172,640	170,000	150,000	140,000	130,000	279,322	634,279	590,000	300,000
Profit before tax	(912,145)	(809,238)	(864,410)	(838,490)	(1,232,062)	(824,572)	(1,140,873)	(1,054,742)	(2,143,266)	(1,678,266)	(1,630,000)	(1,650,000)	(3,424,283)	(4,282,247)	(7,101,532)	(6,787,789)
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	(912,145)	(809,238)	(864,410)	(838,490)	(1,232,062)	(824,572)	(1,140,873)	(1,054,742)	(2,143,266)	(1,678,266)	(1,630,000)	(1,650,000)	(3,424,283)	(4,282,247)	(7,101,532)	(6,787,789)
Minority interest	0	0	0	6,086	40,262	75,184	139,399	126,819	130,000	130,000	130,000	130,000	6,086	381,664	520,000	400,000
GAAP Net income	(912,145)	(809,238)	(864,410)	(832,404)	(1,191,800)	(749,388)	(1,001,474)	(927,923)	(2,013,266)	(1,548,266)	(1,500,000)	(1,520,000)	(3,418,197)	(3,900,583)	(6,581,532)	(6,387,789)
Yr-to-yr Gr.					31%	-7%	16%	11%	69%	107%	50%	-48%	-11%	14%	69%	-3%
Primary EPS	(\$0.91)	(\$0.72)	(\$0.61)	(\$0.59)	(\$0.17)	(\$0.11)	(\$0.14)	(\$0.13)	(\$0.20)	(\$0.15)	(\$0.15)	(\$0.15)	(\$1.92)	(\$0.55)	(\$0.64)	(\$0.62)
Primary Share Out	1,005,558	1,119,798	1,418,506	1,418,506	7,001,231	7,123,453	7,123,453	7,123,453	10,219,934	10,220,000	10,220,000	10,220,000	1,777,451	7,092,898	10,219,984	10,300,000
Yr-to-yr Gr.					596%	536%	402%	402%	46%	43%	43%	44%	80%	299%	44%	1%

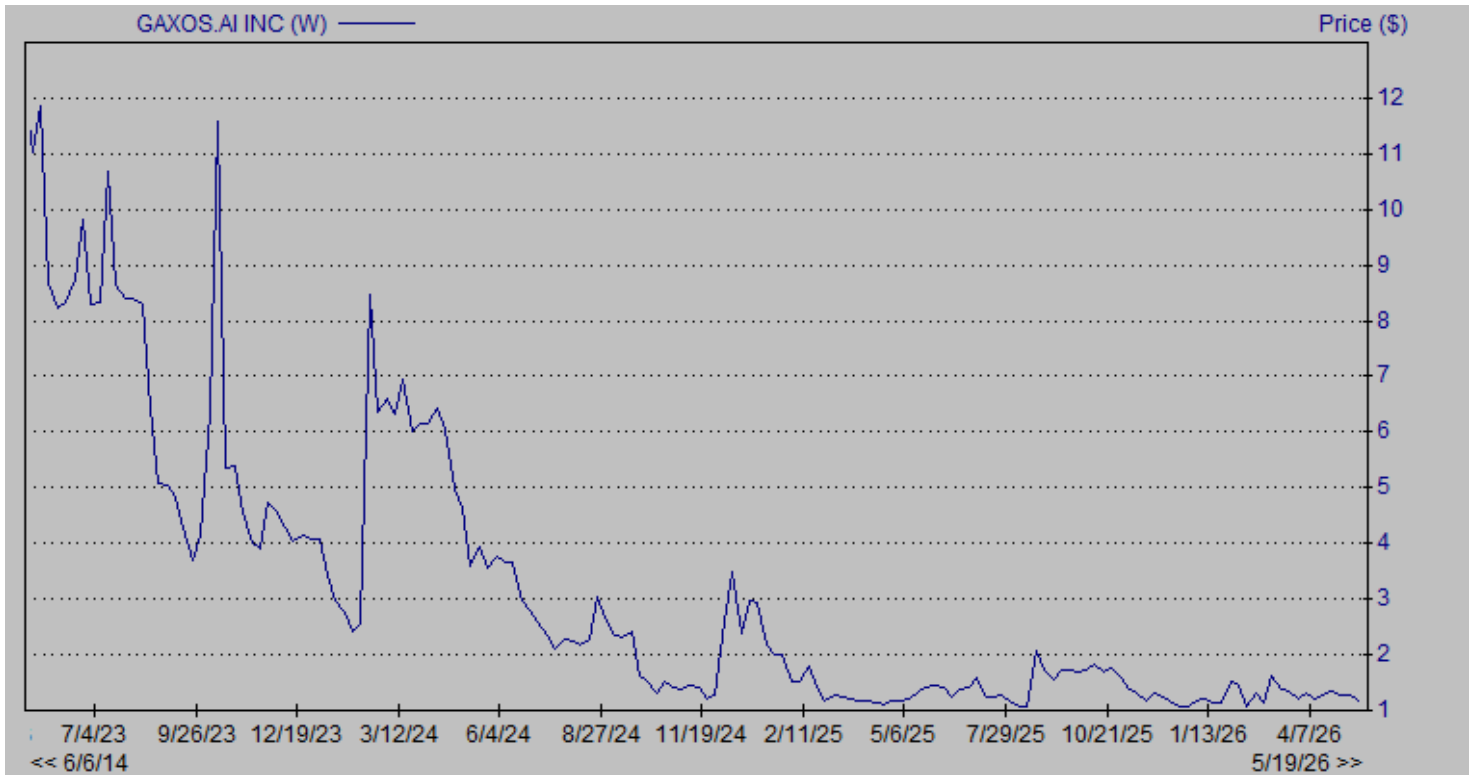
BALANCE SHEET

	Mar 31, 2026	Dec 31, 2025	Qtr-Qtr % Change	Mar 31, 2025	Yr-Yr % Change
CURRENT ASSETS					
Cash	\$1,513,550	\$840,799	80.0%	\$2,571,340	-41.1%
Short-term investments at fair value	10,195,791	11,345,187	-10.1%	\$12,116,335	-15.9%
Investment in equity securities at fair value	106,000	180,000	-41.1%	\$199,998	-47.0%
Accounts receivable	80,498	76,247	5.6%	4,871	1552.6%
Prepaid expenses and other	261,051	157,586	65.7%	274,586	-4.9%
Total current assets	12,156,890	12,599,819	-3.5%	15,167,130	-19.8%
Property and equipment, net	90,386	103,393	-12.6%	83,392	8.4%
Intangible assets, net	673,433	718,333	-6.3%	853,033	-21.1%
Investment in America First Defense	2,900,000	0	NA	0	NM
Long-term assets	3,663,819	821,726	345.9%	936,425	291.3%
TOTAL ASSETS	15,820,709	13,421,545	17.9%	16,103,555	-1.8%
CURRENT LIABILITIES					
Accounts payable	228,043	270,105	-15.6%	321,673	-29.1%
Accrued expenses	98,958	280,430	-64.7%	179,071	-44.7%
Deferred revenue	242,307	130,054	86.3%	4	6057575.0%
Total current liabilities	569,308	680,589	-16.4%	500,748	13.7%
Total liabilities	569,308	680,589	-16.4%	500,748	13.7%
SHAREHOLDERS' EQUITY					
Common stock	1,022	712	43.5%	712	43.5%
Additional paid-in capital	31,170,787	25,801,322	20.8%	25,697,311	21.3%
Accumulated other comprehensive income	(358,108)	26,976	-1427.5%	(57,347)	524.5%
Accumulated deficit	(14,872,829)	(12,700,304)	17.1%	(9,991,521)	48.9%
Gaxos.AI shareholder's equity	15,940,872	13,128,706	21.4%	15,649,155	1.9%
Non-controlling interest	(689,471)	(387,750)	77.8%	(46,348)	1387.6%
Total stockholders' equity	15,251,401	12,740,956	19.7%	15,602,807	-2.3%
TOTAL LIABILITIES AND EQUITY	\$15,820,709	\$13,421,545	17.9%	\$16,103,555	-1.8%
Current Ratio	21.4	18.5	15.3%	30.3	-29.5%
Working Capital	11,587,582	11,919,230	-2.8%	14,666,382	-21.0%
Debt	\$0	\$0	0.0%	\$0	0.0%
Cash plus short-term investments	\$11,709,341	\$12,185,986	-3.9%	\$14,687,675	-20.3%
Cash plus short-term investments per share	\$1.35	\$1.41	-3.9%	\$2.10	-35.5%

CASH FLOWS

US Dollars	Year 2024 US \$	3-Mo 3/31/25 US \$	3-Mo 6/30/25 US \$	3-Mo 9/30/25 US \$	3-Mo 12/31/25 US \$	Year 2025 US \$	3-Mo 3/31/26 US \$
CASH FLOWS - OPERATING ACTIVITIES							
Net profit (loss)	\$ (3,424,283)	\$ (1,232,062)	\$ (824,572)	\$ (1,140,874)	\$ (1,084,739)	\$ (4,282,247)	\$ (2,474,246)
Income and non-cash expense items:							
Amortization expense	52,442	29,749	56,562	58,390	59,997	204,698	60,557
Stock-based compensation	119,443	32,880	30,473	33,517	40,021	136,891	53,866
Realized gain on short-term investments	(121,765)	(11,445)	(2,605)	(10,429)	(5,568)	(30,047)	(10,711)
Unrealized gain on short-term investments	0	0	(8,615)	(7,419)	(5,911)	(21,945)	21,945
Unrealized loss on equity securities	0	0	0	0	0	0	74,000
Realized loss on exchange of equity securities	0	0	0	0	29,998	29,998	0
Non-cash transaction fees	764	0	0	0	0	0	0
Changes in assets and liabilities:							
Accounts receivable	8	(4,871)	(4,497)	(35,505)	(31,374)	(76,247)	(4,251)
Prepaid expenses and other	(38,477)	(210,977)	31,692	49,611	35,734	(93,940)	(103,465)
Accounts payable	122,909	(17,118)	(70,956)	(37,208)	56,596	(68,686)	(42,062)
Accrued expenses	7,436	117,481	75,096	(42,762)	69,025	218,840	(181,472)
Deferred revenue	1,126	(1,122)	562	26,391	103,097	128,928	112,253
Net cash provided by operating activities	(3,280,397)	(1,297,485)	(717,422)	(1,106,288)	(733,124)	(3,853,757)	(2,493,586)
CASH FLOWS - INVESTING ACTIVITIES							
Purchase of short-term investments	(3,547,262)	(12,171,293)	(1,142,693)	(1,846,559)	(525,000)	(15,685,545)	(6,028,373)
Purchase of equity securities	(199,998)	0	0	0	0	0	0
Proceeds from sale of short-term investments	4,010,205	2,164,819	1,029,277	2,179,765	1,201,191	6,575,052	6,781,451
Cash paid for investment in cost method investee	0	0	0	0	0	0	(2,900,000)
Increase in note receivable	0	0	0	(10,000)	0	(10,000)	0
Increase in capitalized internal software development	(45,210)	(22,800)	(22,100)	(21,700)	(16,450)	(83,050)	(2,650)
Purchase of intangible asset	(150,000)	(500,000)	0	0	0	(500,000)	0
Net cash provided by (used in) investing activities	67,735	(10,529,274)	(135,516)	301,506	659,741	(9,703,543)	(2,149,572)
CASH FLOWS - FINANCING ACTIVITIES							
Proceeds from issuance of stock/units	8,208,771	0	0	0	0	0	5,315,909
Proceeds from exercise of pre-funded warrants	521	0	0	0	0	0	0
Proceeds from sale of pre-funded warrants	2,897,924	0	0	0	0	0	0
Proceeds from exercise of warrants	2,663,594	0	0	0	0	0	0
Proceeds from induced exercise of warrants	2,834,843	0	0	0	0	0	0
Purchase and cancellation of treasury securities	(19,602)	0	0	0	0	0	0
Net cash used in financing activities	16,586,051	0	0	0	0	0	5,315,909
INCREASE (DECREASE) IN CASH	13,373,389	(11,826,759)	(852,938)	(804,782)	(73,383)	(13,557,300)	672,751
CASH - BEGINNING OF PERIOD	1,024,710	14,398,099	2,571,340	1,718,964	914,182	14,398,099	840,799
CASH - END OF PERIOD	14,398,099	2,571,340	1,718,964	914,182	840,799	840,799	1,513,550
Operating Cash Flow	(3,373,399)	\$ (1,180,878)	\$ (748,757)	\$ (1,066,815)	\$ (966,202)	(3,962,652)	\$ (2,274,589)
Free cash flow	\$ (3,418,609)	\$ (1,203,678)	\$ (770,857)	\$ (1,088,515)	\$ (982,652)	\$ (4,045,702)	\$ (2,277,239)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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