

# Zacks Small-Cap Research

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## POET Technologies Inc. (NASDAQ: POET)

### POET: POET Technologies Secures a \$50 Million Order as Production Starts to Ramp

We believe POET stock is worth \$17.50 per share based on 2029 revenues of \$450 million at 15 times EV to Sales, discounted to today at 20% per year. It currently has \$825 million, or \$4.77 per share, in cash.

Current Price (5/29/26) \$12.29  
Valuation \$17.50

### OUTLOOK

POET Technologies is disrupting the photonics industry with a new technology that integrates optical and electronic devices into a single chip, which is smaller, cheaper, faster, more scalable and consumes less power than the current solutions. The POET Optical Interposer™, and optical engines and light source products based on it, are produced at wafer scale, in large quantities and at low cost using conventional semiconductor fabrication techniques. POET is now receiving orders and has \$825 million in cash to ramp production and support working capital as it scales. It currently has a one million engine per year assembly capacity with two contract manufacturers in Malaysia. POET's integrated solutions include light-based chip-to-chip data communications ("scale-up"), ultra high-speed transceivers ("scale-out") and long-distance telecom ("scale-away") products, all targeted at hyperscale data centers and networks supporting connectivity for Artificial Intelligence applications.

### SUMMARY DATA

52-Week High \$20.57  
52-Week Low \$3.96  
One-Year Return (%) 184  
Beta 0.8  
Average Daily Volume (sh) 58,223,800

Shares Outstanding (mil) 172.6  
Market Capitalization (\$mil) \$2,121  
Short Interest Ratio (days) 1.3  
Institutional Ownership (%) 20.0  
Insider Ownership (%) 12.1

Annual Cash Dividend \$0.00  
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates  
Sales (%) N/A  
Earnings Per Share (%) N/A  
Dividend (%) N/A

P/E using TTM EPS N/M  
P/E using 2025 Estimate N/M  
P/E using 2026 Estimate N/M

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

### ZACKS ESTIMATES

#### Revenue

(in millions of US\$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2024	\$0.0 A	\$0.0 A	\$0.0 A	\$0.0 A	\$0.0 A
2025	\$0.2 A	\$0.3 A	\$0.3 A	\$0.3 A	\$1.1 A
2026	\$0.5 A	\$0.5 E	\$2.4 E	\$6.7 E	\$10.0 E
2027					\$100 E

#### Earnings Per Share

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2024	-\$0.12 A	-\$0.14 A	-\$0.20 A	-\$0.43 A	-\$0.94 A
2025	\$0.08 A	-\$0.21 A	-\$0.10 A	-\$0.32 A	-\$0.68 A
2026	-\$0.07 A	-\$0.07 E	-\$0.06 E	-\$0.04 E	-\$0.24 E
2027					-\$0.17 E

## **POET Hits the Big Time With Funding and a \$50 million Order from Lumilens**

It has been a heck of a ride since early April when we did our last update. The stock was at \$6.11 then, and hit an intraday high of \$20.81 before settling to its current price. It now has \$825 million in the bank after its recent capital raises. POET's biggest potential customer has shifted to Lumilens, with its big hyperscaler connections, which swooped in with a \$50 million order and a warrant arrangement to keep product flowing in the future. As we saw with the \$290 million in customer prepayments at Tower Semiconductor, if you actually want to secure an allocation of product in this industry, you need to lock it up, because not everyone will get their orders filled. Because of this, POET is not looking for new customers, just new employees who can fulfill the current demand.

As for Lumilens, it is a venture-backed startup building next-generation silicon photonics and optical interconnects designed specifically to scale AI data centers and GPU clusters. It was founded in 2024 and is backed by Mayfield and Spark Capital. Despite its age, it is far along its sales and production path. Its founders are highly experienced in the industry and have built and sold major players. The CEO and founder is a highly successful serial tech entrepreneur who previously founded Contrail Systems and Volterra, which were bought by Juniper Networks and F5 Networks. The co-founder is a hardware engineer from major networking giants like Cisco, Juniper Networks, and Aruba. The product strategist has experience at Fujitsu, Cisco, and Lumentum. This company has hyperscalers as customers, and we believe POET is providing product to one of them through Lumilens.

While as exciting data centers are, the company may be even more important to the AI server market, where is also a huge demand. There is so much interest in Blazar that the company may not even need more high-speed transceiver customers.

Post its \$400 million raise with MMCAP, the company has \$825 million in cash. It is using some of it to buy manufacturing equipment, tools, and testing equipment, as well as to hire the needed staff. It loaned \$30 million to a company with technology it is interested in for working capital. It also used \$3 million to invest in Lessengers' last funding round. Some of the cash is to be used for acquisitions to support its strategy of providing differentiated products to the high-speed transceiver and light source markets.

The company reports that it is making steady progress this quarter in ramping production to the volumes that will be needed in 2027. While it remains on track to ship optical engines to multiple customers this year, expected revenues this quarter will likely be pushed out by a few to several weeks. Shipments will begin in the second half of 2026 to customers previously disclosed as well as to undisclosed new customers.

POET has placed orders with equipment suppliers to expand its wafer production capacity by 10X and is evaluating alternatives for increasing its optical engine assembly and test capacity to meet the volume requirements for 2027 and 2028. Assembly and test operations are currently being done at two Malaysian contract manufacturers. At least one of those current partners and other contract manufacturers in Malaysia have expressed a strong interest in investing in the equipment that will be needed for POET's expansion.

Management's extreme focus on manufacturing readiness is exemplified by its recent hiring of Sandeep Kumar, previously SVP of Silicon Labs, as Chief Operating Officer. His mission is to bring the disciplines of semiconductor manufacturing to the assembly and test processes at the Malaysian contract manufacturers. He is in the process of recruiting a senior team experienced with new product introduction, manufacturing, and quality assurance.

## News During Q1 2026

On Jan. 20, 2026, POET announced it won the prestigious Product Innovation Award at the 12th Infostone Communication Consultant Shenzhen (ICCSZ) Awards, a competition that recognizes the finest applications in advanced optical communications and AI compute solutions. Dr. Mo Jinyu, POET SVP, Global Product Development, was also honored as the recipient of the Technology Innovation Award in the Individual/Team category. The Product Innovation Award recognized POET Teralight™ as a ground-breaking advance in 1.6T transmit and receive optical engines.

On February 12, 2026, POET announced it has earned an Elite Score of 4.5 and a category win in the *Lightwave Innovation Reviews*' 13th annual awards.

POET demonstrated its two leading external light source (ELS) products at the annual Optical Fiber Communications (OFC) Conference at the Los Angeles Convention Center from March 16-19, 2026.

The products demonstrated were:

**POET Blazar™:** A ground-breaking ELS solution, Blazar is a highly integrated hybrid laser that exemplifies the company's "semiconductorization of photonics" mission. It is designed to power both co-packaged optics (CPO) and high-bandwidth, chip-to-chip, light-based data communications links. This product is an alternative to traditional DFB laser-based solutions. The wafer-level chip-scale technology significantly lowers the cost of the light source, provides larger scale and better reliability, and increases the effective supply of Indium Phosphide. In particular, this product attracted substantial attention at the show as a cost-effective, high-performance solution for high-power, high-bandwidth, multichannel light sources for Co-Packaged Optics (CPO), as well as GPU-to-GPU and GPU-to-memory optical interconnects.

**POET Starlight™:** POET revealed its next-generation ELS solution, and the demo featured a compact engine solution with eight-channel high-power lasers at multiple wavelengths. Starlight was integrated into a working optical engine, showing the commercial applicability of the solution to the industry-standard ELSFP module.

At the conference, the company accepted the *Elite Score* award at the *Lightwave Innovations Reviews* reception. POET earned the recognition for Teralight™. In February, *Lightwave Innovation Reviews* announced its judges had given POET Teralight a score of 4.5, one of the highest received among winning entries.

On March 16, 2026, POET announced a collaboration with LITEON Technology to co-develop optical communication modules. LITEON is one of the world's leading providers of optoelectronic semiconductor components and high-power optical systems. POET will begin development work this year and expects to have prototypes ready by late 2026. High-volume production is anticipated for 2027.

On March 17, 2026, POET and Lessengers announced the joint development of a 1.6T 2×DR4 optical transceiver module. Samples are targeted for availability in Q2 2026.

## After the Quarter Ended

On April 27, 2026, POET Celestial AI cancelled all its purchase orders, including the ones for initial production units first disclosed in a press release on April 25, 2023. As the basis for the cancellation, Marvell indicated that the POET had made disclosures of information related to the purchase order and shipping information in contravention of its confidentiality obligations.

On May 11, 2026, Sandeep Kumar was appointed Chief Operating Officer and reports to the CEO, Suresh Venkatesan. He was also named as an officer of the corporation. Dr. Kumar is an experienced executive in the semiconductor industry. His last position was at Silicon Labs, in Austin, TX, where he worked for over 18

years, and was SVP of Worldwide Operations. He has managed manufacturing teams, supply chain, planning, CAD, process engineering, package engineering, product and test engineering, quality assurance, failure analysis, as well as prototype production and reliability test labs. Sandeep has experience working closely with the design, marketing, sales teams, and customers, addressing their geopolitical concerns. Before joining Silicon Labs, Sandeep was responsible for worldwide product and test engineering for the storage business at Agere Systems, Lucent Technologies, and AT&T Bell Labs, working closely with the internal factories in the United States and Asia. As a member of the Bell Labs technical staff, Sandeep was part of the group that designed ISDN U-interface chips, Speaker Phone Codec, and Sigma-Delta A/D converters. Sandeep has a BS in Electrical Engineering from the Indian Institute of Technology in Bombay, an MS in Electrical Engineering from the University of Evansville in Indiana, and a PhD in Electrical Engineering from Lehigh University. He will play a major role in managing global operations with an immediate focus on bringing proven talent into the manufacturing organization in Malaysia to prepare it for high-volume production. Dr. Kumar was awarded a total of 410,397 RSUs that will vest at the rate of 1/3 of the total on the first, second, and third anniversaries of the grant.

On May 14, 2026, POET and Lumilens announced they had entered into a supply agreement and partnership to target AI infrastructure. Lumilens has placed an initial \$50 million purchase order with POET for EOI-based engines. This order is the first phase of a broader supplier relationship that could scale to over \$500 million in cumulative purchases from POET over five years. Engineering samples from this joint development program are expected in late 2026, with production ramp aligned to hyperscaler customer deployments in 2027. Their roadmap goes from 800G and 1.6T pluggable transceivers to next-gen high-density Near-Package Optics (NPO) and Co-Packaged Optics (CPO). In connection with the supply agreement, POET has granted Lumilens a warrant to purchase up to 22.9 million common shares at \$8.25 per share, and 2.3 million shares are immediately exercisable. The remaining shares vest and become exercisable in tranches based on cumulative payments by Lumilens toward future purchase orders totaling up to \$500 million.

On May 18, 2026, Thomas Mika, Chief Financial Officer, informed the board of his desire to retire sometime this year. The board is commencing a search for a suitable successor, focusing on candidates with extensive manufacturing experience.

## **Q1 2026 Results**

In Q1 2026, POET had revenues of \$503,000 versus \$167,000 in Q1 2025, all from NREs. Total operating expenses were \$18.4 million compared to \$9.7 million last year.

R&D was flat with last year, while Sales, Marketing, and Administration increased by \$8.7 million. Interest income increased to \$4.0 million in Q1 2026 from \$528,000 in Q1 2025 due to a huge increase in cash balances.

In Q1, the non-cash fair value adjustment to derivative warrant liability was \$1.6 million compared to \$15.4 million in the same period in 2025. This non-cash item relates to warrants issued in a foreign currency and is periodically remeasured. The increase was due to the issuance of warrants and the increase in the stock price during the third quarter. After the year-end, POET repriced the majority of the outstanding warrants that were originally priced in Canadian dollars to the U.S. dollar equivalent. This has eliminated the majority of the non-cash derivative warrant liability that was carried on the balance sheet.

The net loss for the quarter was \$12.3 million compared to a gain of \$6.4 million in Q1 2025 due to that derivative liability. This resulted in an IFRS loss per share of \$0.08 versus a gain of \$0.08 per share last year. On a non-IFRS basis, taking out stock-based compensation and non-cash accounting, the loss was \$10.4 million versus \$8.2 million. The non-IFRS per share loss was \$0.07 this year versus \$0.10 last year due to an increase in shares. The average shares outstanding for the quarter was 147.5 million, up 89%.

## Balance Sheet

POET Technologies ended the March quarter with \$429 million in cash and marketable securities and \$5.8 million in convertible debentures. Working capital at the end of the quarter was \$419 million; however, \$2.8 million of current liabilities is non-cash, and \$5.8 million of the convertible debt, which is presented as current is due between two and five years, making working capital available for operations \$428 million. The company had a negative cash flow (excluding changes in working capital) of \$9.5 million for Q1 2026. It spent \$2.4 million on capex for the quarter. In 2027, it expects to spend about \$24 million on capex to buy mostly test equipment and increase wafer capacity.

On January 7, 2026, and January 21, 2026, POET made two loans of \$10 million and \$5 million, respectively, to a company to be used for general working capital purposes. On April 23, 2026, POET advanced another \$15 million.

On January 23, 2026, POET raised gross proceeds of \$150 million selling 20,689,656 common shares through a brokered registered direct offering at \$7.25 per common share and paid approximately \$7,585,000 in fees. It now has approximately \$825 million in cash.

## After the Quarter Ended

On May 18, 2026, POET sold 19,047,620 common shares and a warrant exercisable for 19,047,620 common shares to MMCAP International at \$21.00 per unit, raising \$400 million. The warrant is exercisable at \$26.15 for three years from the date of issuance. The company now has approximately \$825 million in cash and 172.6 million primary shares outstanding.

This cash will be used to expand its manufacturing infrastructure, support corporate development activities, including targeted acquisitions, scale up R&D, accelerate the light source business, expand operations, and for general working capital. The company is expanding its capacity by roughly tenfold in both wafer production and optical engine assembly to support a transition to higher-volume manufacturing through 2027.

There were 172,595,406 shares outstanding on May 18, 2026. There were also 37,364,941 warrants priced between \$1.09 and \$7.12, 5,791,977 options priced between \$1.27 and \$6.33, and 3,262,707 restricted stock units---all in the money. This totals 222,015,280 fully diluted shares.

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## KEY POINTS

- AI has created an accelerated need for faster speeds for hardware and data center communications. As a de facto pure-play in optical engines and transceivers targeting AI hardware and data centers, POET offers a way to invest in the entire AI industry. As a start-up on the cusp of ramping production, we expect the company to grow much faster than the market and the large incumbent players such as Nvidia.
- The Holy Grail in photonics is cost reduction (through efficiencies in process and materials) combined with lower power consumption. Throw in a smaller size and higher performance, and customers should beat a path to your door. POET believes it can provide all four with its proprietary “optical interposer” based on a novel low-loss material that enables multiple components to be integrated into a single package entirely at wafer scale. This means it can eliminate steps in the labor-intensive assembly process currently used to manufacture optical transceivers. Manual assembly results in higher scrap rates, longer production times, and higher equipment costs. Also, its base material is far better suited to use in the management of light than silicon due to its lower loss and planar

architecture, thus allowing lower-powered lasers, resulting in lower power consumption and the ability to use less expensive lasers. POET hopes to disrupt the current market for photonics devices and have its Optical Engine platform become the standard in the industry.

- Using \$825 million in cash, \$5.8 million in debt, and 173 million shares outstanding, the stock trades at an enterprise value of approximately \$1.3 billion. According to Fortune Business Insights, the global optical transceiver market size was valued at \$14.7 billion in 2025 and is projected to grow from \$17.2 billion in 2026 to \$46.1 billion by 2034, exhibiting a CAGR of 17.0% during the forecast period. POET's product is a component of an optical transceiver, and that market is about a third of the transceiver market. If POET can secure even a small portion of that market with its unique offerings, its valuation should far exceed its current price. We believe the stock could be worth \$17.50 per share based on 2029 revenues of \$450 million at 15 times EV to Sales, discounted to present value.

## VALUATION

When valuing POET stock, we need to look at both the public and private comps. As we can see below, the average fabless semiconductor manufacturer is trading at 10.1 times 2027 estimated revenues, with Monolithic Power Systems and Broadcom being the highest. POET, with its higher relative growth, should be valued even higher than them. If we use 15xs on 2029 revenues of \$450 million and discount that back using 20% per year, to get an enterprise value of \$4.4 billion, we reach a current stock price of \$17.50 per share.

Company	Ticker	Calendar		LTM	EBITDA	EBITDA Margin	Enterprise Value / Sales			EV/EBITDA	Included in Average?	Ent. Value
		2027E	2026E				2027E	2026E	LTM			
AMD	AMD	\$75,270	\$49,280	\$37,450	7,430	20%	9.7x	14.9x	19.6x	98.8x	y	733,760
Broadcom	AVGO	\$158,000	\$103,310	\$68,280	37,220	55%	12.7x	19.4x	29.3x	53.7x	y	2,000,000
Cirrus Logic	CRUS	NA	\$2,050	\$2,000	512	26%	NA	3.6x	3.7x	14.4x	y	7,390
Lightwave Logic	LWLG	NA	NA	\$0	(21)	NM	NA	NA	NA	-114.8x	n	2,410
Marvell	MRVL	\$14,800	\$10,850	\$8,190	2,630	32%	5.3x	7.2x	9.5x	29.6x	y	77,860
Monolithic Power Sys	MPWR	\$3,260	\$2,780	\$2,790	781	28%	13.3x	15.6x	15.6x	55.6x	y	43,430
NVIDIA	NVDA	\$479,970	\$369,420	\$215,940	133,230	62%	9.5x	12.3x	21.1x	34.2x	y	4,560,000
Qualcomm	QCOM	NA	\$44,550	\$44,870	13,760	31%	NA	4.2x	4.2x	13.6x	y	186,970
<b>Average</b>						<b>21%</b>	<b>10.1x</b>	<b>11.0x</b>	<b>13.6x</b>	<b>44.3x</b>		<b>1,087,059</b>

We also have to look to the private markets where most of this industry lives. All of the following three companies are pre-revenue at the moment.

Celestial AI was bought by Marvell Technology for \$3.25 billion in February. The purchase price could increase to \$5.5 billion if Celestial hits revenue milestones. The company currently has no revenues, but Marvell expects Celestial to begin generating meaningful revenue in the first half of 2028, reaching a \$500 million exit run-rate in 2028 and \$1 billion by 2029. This valuation is 6.5 times the 2028 ending run rate and approximately 4.3 times calendar 2028 revenues. Using this enterprise valuation ratio and a forecast of \$220 million in 2028 calendar revenues, POET would be worth \$1.3 billion in market value or \$8.31 per share.

In August 2024, [Lightmatter](#), a leader in photonic supercomputing, raised a \$400 million in a Series D, valuing the company at \$4.4 billion and bringing the total capital raised to date to \$850 million. Lightmatter has raised a total of \$850M over [9 funding rounds](#). We believe it has no revenues.

On March 3, 2026, [Ayar Labs](#), the leader in co-packaged optics (CPO) solutions for AI scale-up, closed a \$500 million Series E funding round led by Neuberger Berman. The company is using the funds to scale high-volume production and test capacity to accelerate the deployment of its CPO solution. This brings the company's total funding to \$870 million and raises the company's valuation to \$3.75 billion. Ayar Labs will use the new funds to scale high-volume production and test capacity, expand global operations, including at its [new Hsinchu, Taiwan, office](#). We believe it has no revenue.

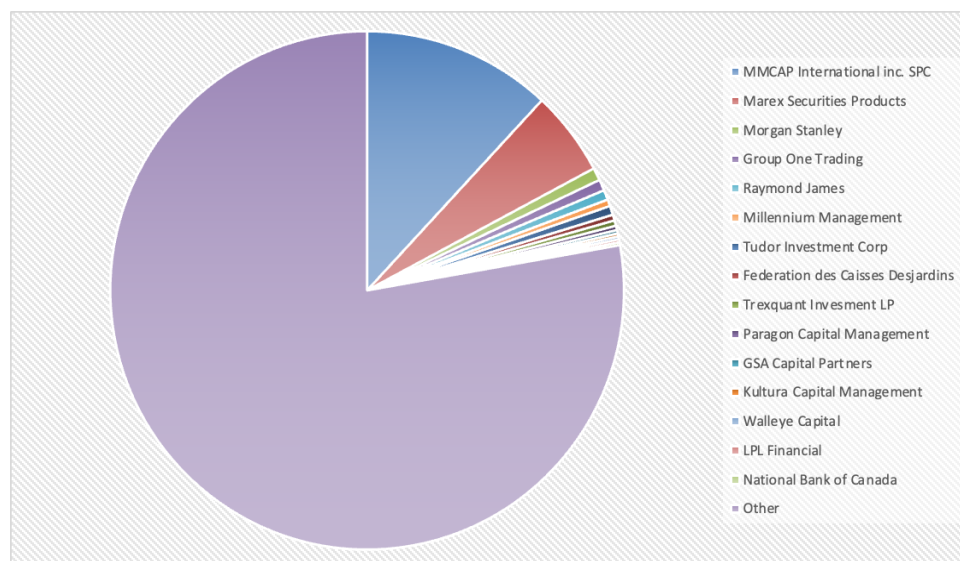
As of May 22, 2026  
**Fully Diluted Shares Using Treasury Stock Method**

Share Outstanding	172,595,406
Warrants	55,927,558
Options	5,748,734
RSU	3,412,076
All in shares	237,683,774
Fully diluted shares	237,683,774
Cash raised by warrants and options	223,451,794
Share purchased by cash raised	15,304,917
Current share price \$	\$ 14.60
Fully diluted shares, TS Method	222,378,857

## RISKS

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

## OWNERSHIP



# INCOME STATEMENT

	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26E	Q3 26E	Q4 26E	2025	2026E	2027E
<b>Revenue</b>	<b>\$ 166,760</b>	<b>\$ 268,469</b>	<b>\$ 298,434</b>	<b>\$ 341,202</b>	<b>\$ 503,389</b>	<b>\$ 500,000</b>	<b>\$ 2,350,000</b>	<b>\$ 6,700,000</b>	<b>\$ 1,074,865</b>	<b>\$ 10,053,389</b>	<b>\$ 100,000,000</b>
Cost of revenue	0	0	0	0	0	0	0	0	0	0	65,000,000
Gross margin	166,760	268,469	298,434	341,202	503,389	500,000	2,350,000	6,700,000	1,074,865	10,053,389	35,000,000
Gross margin %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	35.0%
<b>Operating expenses</b>											
Selling, marketing and administration	5,189,062	5,273,193	5,380,610	9,239,092	13,873,991	14,600,000	16,000,000	17,400,000	25,081,957	61,873,991	63,000,000
R&D	4,514,107	3,752,352	4,472,495	5,345,349	4,499,556	4,700,000	4,700,000	4,700,000	18,084,303	18,599,556	17,000,000
Operating expenses	9,703,169	9,025,545	9,853,105	14,584,441	18,373,547	19,300,000	20,700,000	22,100,000	43,166,260	80,473,547	80,000,000
Operating income	(9,536,409)	(8,757,076)	(9,554,671)	(14,243,239)	(17,870,158)	(18,800,000)	(18,350,000)	(15,400,000)	(42,091,395)	(70,420,158)	(45,000,000)
Impairment and other loss	0	0	0	0	0	0	0	0	0	0	0
Derivative liability adjustment	15,382,971	0	(2,414,223)	(12,968,748)	1,602,298	0	0	0	0	1,602,298	0
Interest expense	(32,786)	(30,925)	(31,429)	(48,906)	(46,517)	0	0	0	(144,046)	(46,517)	0
Unrealized foreign exchange	0	(1,448,691)	1,641,602	(192,911)	0	0	0	0	0	0	0
Interest income	527,782	533,308	989,007	2,502,964	3,970,291	5,000,000	7,000,000	7,000,000	4,553,061	22,970,291	10,000,000
FV adjustment to derivative warrant	0	(7,559,991)	0	(17,720,842)	0	0	0	0	(25,280,833)	0	0
Forgiveness of COVID govt loans	0	0	0	0	0	0	0	0	0	0	0
Impact of joint venture (75.2% owned)	0	0	0	0	0	0	0	0	0	0	0
Gain on contribution of IP to JV	0	0	0	0	0	0	0	0	0	0	0
<b>Pretax income</b>	<b>6,341,558</b>	<b>(17,263,375)</b>	<b>(9,369,714)</b>	<b>(42,671,682)</b>	<b>(12,344,086)</b>	<b>(13,800,000)</b>	<b>(11,350,000)</b>	<b>(8,400,000)</b>	<b>(62,963,213)</b>	<b>(45,894,086)</b>	<b>(35,000,000)</b>
Income tax	0	0	0	0	0	0	0	0	0	0	0
Net Income	6,341,558	(17,263,375)	(9,369,714)	(42,671,682)	(12,344,086)	(13,800,000)	(11,350,000)	(8,400,000)	(62,963,213)	(45,894,086)	(35,000,000)
Non-IFRS net loss	(8,199,620)	(5,786,747)	(6,732,504)	(9,553,993)	(10,413,101)	(12,175,000)	(9,725,000)	(6,775,000)	(30,272,864)	(39,088,101)	(30,500,000)
Net income per share	\$ 0.08	\$ (0.21)	\$ (0.10)	\$ (0.32)	\$ (0.08)	\$ (0.08)	\$ (0.07)	\$ (0.05)	\$ (0.68)	\$ (0.28)	\$ (0.20)
Yr-to-yr growth	-166.0%	50.5%	-46.6%	-24.2%	-203.2%	-60.2%	-37.0%	-85.0%	18.0%	-58.6%	-28.6%
Non-IFRS income per share	(0.10)	(0.07)	(0.07)	(0.07)	(0.07)	(0.07)	(0.06)	(0.04)	(0.32)	(0.24)	(0.17)
Share outstanding (millions)	78.2	81.1	89.8	131.8	147.5	162.6	172.6	172.6	93.2	163.8	175.0
Yr-to-yr growth	68.1%	43.7%	37.8%	85.9%	88.6%	100.6%	92.1%	31.0%	153.6%	75.9%	6.8%

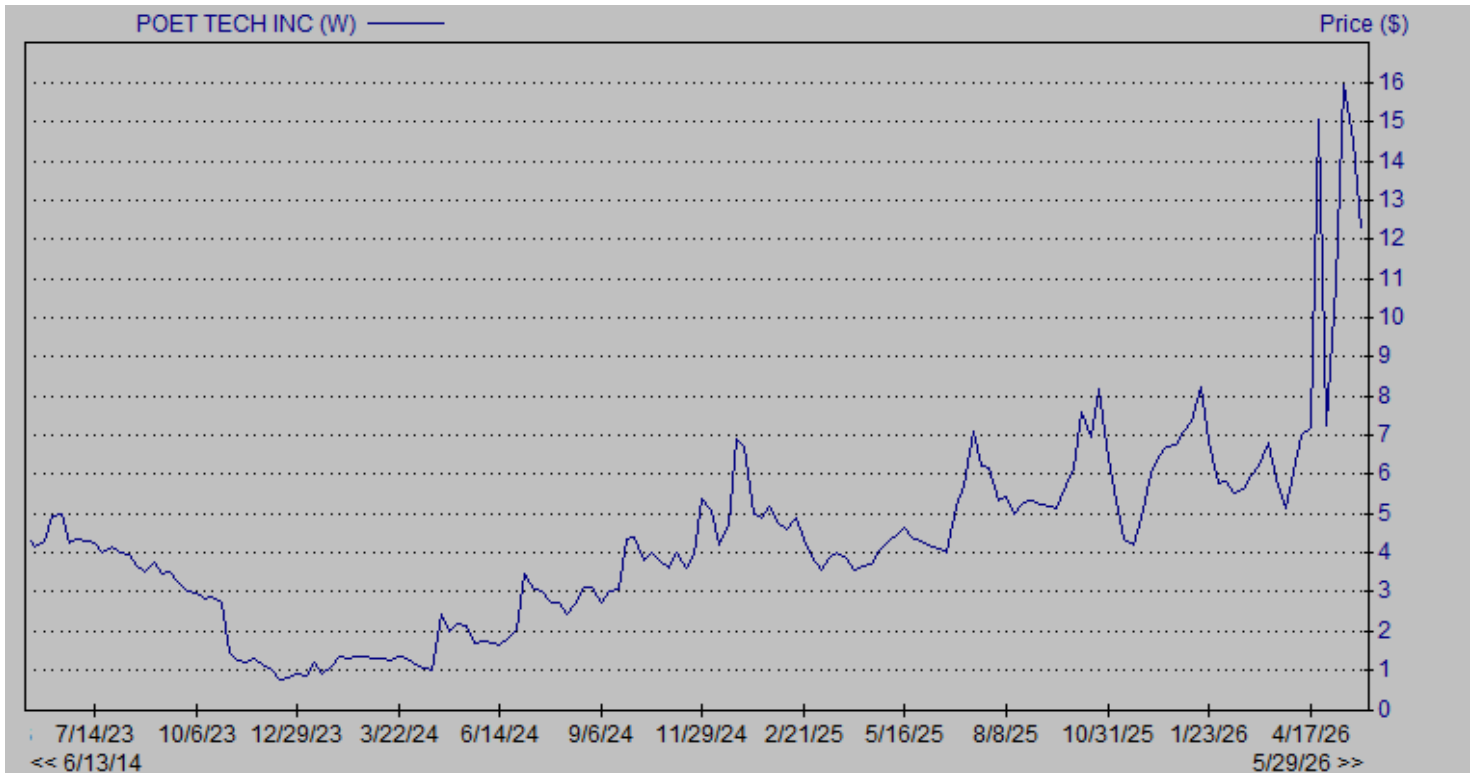
# CASH FLOWS

US Dollars	2023	2024	Mar. 31, 2025	Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025	2025	Mar. 31, 2026
<b>OPERATING ACTIVITIES</b>								
Net loss	\$ (20,267,365)	\$ (56,695,823)	\$ 6,341,558	\$ (17,263,375)	(9,369,714)	(42,671,682)	\$ (62,963,213)	\$ (12,344,086)
<b>Adjustments for:</b>								
Depreciation of property and equipment	1,653,798	1,713,686	634,080	722,928	822,488	805,644	2,985,140	860,729
Amortization of patents and licenses	87,761	92,344	69,116	(20,917)	112,157	(63,486)	96,870	21,945
Amortization of right of use assets	180,602	214,165	23,672	90,803	(41,941)	161,355	233,889	75,026
FV adjustment to der. warrant liability	24,865	20,631,082	(15,382,971)	7,559,991	2,414,223	30,689,590	25,280,833	(1,602,298)
Non-cash interest	53,614	90,041	19,120	44,591	31,429	48,906	144,046	46,538
Stock-based compensation	4,201,444	5,469,369	841,793	1,165,482	1,864,589	2,235,188	6,107,052	3,486,766
Other non-cash items	0	0	0	189,560	0	400,563	399,182	0
Unrealized exchange gains	0	0	0	(350,497)	0	195,059	0	0
Non-cash settled operating costs	0	(18,766)	0	0	0	0	0	0
Gain on lease modification	0	0	(10,978)	10,978	0	0	0	0
Loss on acquisition of 24.8% of SPX	0	6,852,687	0	0	0	0	0	0
Gain on contribution of IP to JV	(1,031,807)	0	0	0	0	0	0	0
Share of loss in JV	1,031,807	0	0	0	0	0	0	0
Forgiveness of COVID loans	0	(7,298)	0	0	0	0	0	0
<b>Net change in non-cash working capital accounts:</b>								
Accounts receivable	62,000	(7,257)	0	0	(125,079)	132,336	7,257	(292,571)
Prepaid and other current assets	126,936	(1,659,615)	(217,086)	(96,155)	1,289,627	(346,178)	630,208	(492,934)
Accounts payable and accrued liabilities	(1,256,925)	34,074	(1,572,732)	482,503	(344,824)	(3,011,741)	(4,446,794)	1,631,210
Contract liabilities	(274,192)	0	274,926	(274,926)	609,498	(170,598)	438,900	(199,898)
Cash flows from operating activities	(15,407,462)	(23,291,311)	(8,979,502)	(7,739,034)	(2,737,547)	(11,595,044)	(31,086,630)	(8,809,573)
<b>INVESTING ACTIVITIES</b>								
Purchase of short-term investments	0	0	(16,096,218)	(25,482,380)	(20,129,584)	(209,918,000)	(271,626,182)	(167,159,947)
Maturity of short-term investments	0	(16,672,811)	0	0	0	14,859,891	14,859,891	0
Purchase of property and equipment	(1,167,953)	(6,781,715)	(522,523)	(2,065,295)	(406,440)	739,151	(2,255,107)	(2,434,925)
Purchase of patents and licenses	(79,111)	(196,997)	0	(46,537)	1	(1)	(46,537)	0
Loan receivable	0	0	0	0	0	0	0	(15,194,384)
Long term deposit	0	(107,890)	0	0	(112,457)	18,915	(93,542)	0
Proceeds from the sale of short-term	0	0	0	0	0	0	0	28,000,000
Cash flows from investing activities	(1,247,064)	(23,661,580)	(16,618,741)	(27,594,212)	(20,648,480)	(194,300,044)	(259,161,477)	(156,789,256)
Cash flows from investing activities, discontinued	0	0	0	0	0	0	0	0
<b>FINANCING ACTIVITIES</b>								
Repayment of covid loan	0	(21,894)	0	0	0	0	0	0
Issue of common shares for cash, net	10,447,603	82,176,180	4,352,685	31,273,000	25,851,464	231,764,506	293,241,655	142,591,249
Payment of lease liability	(252,103)	(255,953)	(35,289)	(64,159)	(58,517)	(65,438)	(223,403)	(93,902)
Repayment of convertible debt	0	0	0	0	0	(700,000)	(700,000)	0
Cash flows from financing	10,195,500	81,898,333	4,317,396	31,208,841	25,792,947	230,999,068	292,318,252	142,497,347
EFFECT OF EX RATE ON CASH	248,250	(820,752)	37,513	588,940	(1,221,930)	1,340,774	745,297	(320,326)
NET CHANGE IN CASH	(6,210,776)	34,124,690	(21,243,334)	(3,535,465)	1,149,487	26,444,754	2,815,442	(23,421,808)
CASH AND CASH EQUIVALENTS, beg.	9,229,845	3,019,069	37,143,759	15,900,425	12,364,960	13,514,447	37,143,759	39,959,201
CASH AND CASH EQUIVALENTS, end	3,019,069	37,143,759	15,900,425	12,364,960	13,514,447	39,959,201	39,959,201	16,537,393
Cash flow	(14,065,281)	(21,658,513)	(7,464,610)	(7,850,456)	(4,166,769)	(8,198,863)	(27,716,201)	(9,455,380)
Free cash flow	(15,312,345)	(28,637,225)	(7,987,133)	(9,962,288)	(4,573,208)	(7,459,713)	(30,017,845)	(11,890,305)

## BALANCE SHEET

	Mar 31, 2026	Dec 31, 2025	Qtr-Qtr % Growth	Mar 31, 2025	Yr-Yr % Growth
<b>Current</b>					
Cash and cash equivalents	\$ 16,537,393	\$ 39,959,201	-59%	\$ 15,900,425	4%
Short-term investments	412,599,049	273,439,102	51%	32,741,545	1160%
Accounts receivable	290,368	0	NA	0	NA
Prepays and other current assets	1,556,327	1,063,528	46%	1,986,758	-22%
Current Assets	430,983,137	314,461,831	37%	50,628,728	751%
Long term deposit	208,125	208,125	0%	117,192	78%
Loan receivable	15,194,384	0	NA	0	NA
Property and equipment	13,812,226	12,233,828	13%	12,804,727	8%
Patents and licenses	534,430	556,375	-4%	583,036	-8%
Right of use asset	1,039,559	1,112,279	-7%	739,727	41%
Total Assets	461,771,861	328,572,438	41%	64,873,410	612%
<b>Liabilities</b>					
Accounts payable and accrued liabilities	3,275,397	1,639,543	100%	4,475,780	-27%
Lease liability	265,256	235,304	13%	254,204	4%
Derivative warrant liability	2,584,759	135,631,585	-98%	20,342,530	-87%
Convertible debentures	5,800,000	5,800,000	0%	6,500,000	-11%
Contract liabilities	247,505	445,840	-44%	276,072	-10%
Current Liabilities	12,172,917	143,752,272	-92%	31,848,586	-62%
Lease liability	955,344	1,029,894	-7%	568,613	68%
Total liabilities	13,128,261	144,782,166	-91%	32,417,199	-60%
<b>Shareholders' Equity</b>					
Share capital	586,086,286	443,076,163	32%	230,363,129	154%
Warrants & comp options	162,044,130	30,599,602	430%	9,343,000	1634%
Contributed surplus	12,397,616	9,329,724	33%	59,179,629	-79%
Accumulated other comprehensive loss	(2,446,012)	(2,121,883)	15%	(1,784,257)	37%
Deficit	(309,438,420)	(297,094,334)	4%	(264,645,290)	17%
Shareholder's Equity	448,643,600	183,789,272	144%	32,456,211	1282%
Tot Liabilities and Share. Equity	\$ 461,771,861	\$ 328,571,438	41%	\$ 64,873,410	612%
Cash and short-term investments	\$ 429,136,442	\$ 313,398,303	37%	\$ 48,641,970	782%
Cash per share	\$ 2.91	\$ 2.38	22%	\$ 0.62	368%
Current ratio	35.4	2.2	1518%	1.6	2127%
Working capital	418,810,220	170,709,559	145%	18,780,142	2130%
Debt	5,800,000	5,800,000	0%	6,500,000	-11%

# HISTORICAL STOCK PRICE



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