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# Zacks Small-Cap Research

*Sponsored – Impartial - Comprehensive*

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

scr.zacks.com
101 N. Wacker Drive, Chicago, IL 60606

## GCT Semiconductor Holding, Inc. (NYSE: GCTS)

### GCTS: GCT Semiconductor Lands New Customers in New Markets

We believe that GCT Semiconductor's stock is worth $2.30 per share based on a conservative EV-to-2028 Sales ratio of 3.0 times.

| | |
|---|---|
| Current Price (11/12/26) | $1.53 |
| **Valuation** | **$2.30** |

### 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 breakeven in 2027, which we expect to occur at approximately $25 million in quarterly sales.

### SUMMARY DATA

| | |
|---|---|
| **52-Week High** | **$3.73** |
| **52-Week Low** | **$0.99** |
| **One-Year Return (%)** | **9.7** |
| **Beta** | **1.9** |
| **Average Daily Volume (sh)** | **2,015,659** |
| **Shares Outstanding (mil)** | **92** |
| **Market Capitalization ($mil)** | **$146** |
| **Short Interest Ratio (days)** | **7.4** |
| **Institutional Ownership (%)** | **28** |
| **Insider Ownership (%)** | **4** |
| **Annual Cash Dividend** | **$0.00** |
| **Dividend Yield (%)** | **0.00** |
| **5-Yr. Historical Growth Rates** | |
| **Sales (%)** | **-50.6** |
| **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** | **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 | 1.9 A | 1.0 A | 1.1 A | 1.1 E | 5.1 E |
| 2027 | | | | | 50.0 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 | -$0.15 A | -$0.25 A | -$0.08 A | -$0.09 E | -$0.55 E |
| 2027 | | | | | -$0.26 E |

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## Major Customer Orders Delayed One More Quarter

Q3 came in as expected for GCT Semiconductor, as revenues were spot on and losses were slightly less. We had hoped for the revenue ramp to start in Q4, but again it looks like Q4 will be similar to Q3 or slightly better, with the ramp coming in the first half of 2027 due to customer timelines. There have been both regulatory issues and technical approval issues for its customers, some of which have been resolved and give us greater confidence in the first-half ramp. In the third quarter, it shipped 3,200 5G chipsets, bringing the year-to-date number to 11,300. It also fulfilled 18% of a $1.4 million government order for wireless LTE tablets, with 20% to be shipped in Q4 and the rest in Q1. It is still working on prospects for the converged gateway with MaxLinear, and hopes to announce progress, perhaps at CES in January.

On August 26, 2026, GCT announced a strategic partnership and license agreement with a current customer. Together, they are developing next-generation drone control and communication technologies. The collaboration combines GCT's advanced cellular and NTN expertise with the provider's industrial-grade wireless innovation and includes the integration of GCT's GDM7243i connectivity solution and IoT module. Some samples were shipped in Q3, and the two are working on a supply agreement. This customer has been demoing its product to the defense industry, and we hope to see announcements once it lands some contracts.

The company announced it has added a new 5G customer developing terrestrial-based 3D geolocation solutions to augment or replace GPS indoors and in urban canyons. This customer received the majority of GCT's Q3 5G shipments for proof-of-concept testing. These chips could go into standalone products or augment other devices. It could be of particular interest to first responders and delivery services who need more specific locations when in areas where GPS doesn't work well due to spotty coverage, or when they need to go into a building.

We are lowering estimates as orders push out. We look to new customer announcements and production orders in the next few months, showing continued traction. Although this is disappointing, the customers are real and can provide large revenue as soon as they can launch their products. In particular, we look to the satellite service that has now passed regulatory approval and needs to start ordering products, and to CPE suppliers to the Verizon network. We believe the stock is worth at least $2.30 based on $50 million in revenues in 2027 and $180 million in 2028.

### Q3 2026 Earnings Results

In Q3, revenues were up 149% to $1.1 million compared to $430,000 in last year's quarter as customer orders slipped. Product sales were $499,000 compared to $148,000 in Q3 2025. Service revenues were $579,000 compared to $282,000 a year ago and flat with Q2. Gross margin on products was negative due to low volumes. Product costs decreased $400,000 and were primarily attributable to a $0.7 million reduction in inventory write-downs recorded during the three months ended September 30, 2025, and a $0.4 million reduction in allocated overhead costs during the three months ended September 30, 2025. These decreases were partially offset by a $0.6 million increase in direct manufacturing and related costs associated with higher sales of 5G products and a $0.2 million increase in depreciation expense related to 5G mask sets.

Operating expenses were $7.3 million this quarter compared to $8.2 million last year. Research and development and sales and marketing expenses were almost flat year over year. General and administrative expenses decreased by $1.0 million, from $3.9 million for the three months ended September 30, 2025 to $2.9 million for the three months ended September 30, 2026. The decrease was primarily due to a $1.3 million decrease in stock-based compensation expense related to the issuance of equity-classified common stock warrants to certain investors during the third quarter of 2025. This decrease was partially offset by a $0.4 million increase in general and administrative expenses, primarily due to higher bad debt expense.

The operating loss declined to $7.4 million this quarter, compared to $9.3 million in 2025.

Interest expense decreased by $0.9 million, from $1.8 million for the three months ended September 30, 2025 to $0.9 million for the three months ended September 30, 2026. The decrease was primarily due to a $0.6 million reduction in interest associated with the excise tax on share redemptions liability, which included a $0.3 million reversal of previously accrued interest recorded as a reduction of interest expense following the release of the related liability in the third quarter of 2026. Additionally, there was a $0.3 million decrease in interest on other borrowings due to lower average outstanding debt.

The pretax loss was $7.3 million versus a loss of $13.7 million. The net loss was $7.4 million compared to a loss of $13.8 million. The loss per share was $0.08 versus $0.25, and the non-GAAP loss per share was $0.09 versus a loss of $0.14 in Q3 2025. Average shares outstanding for the quarter increased to 91.9 million in Q3 2026 versus 55.5 million in Q3 2025, or 66%. EBITDA this quarter was a loss of $6.5 million versus a loss of $7.0 million last year and $6.6 million in Q2 2026.

## Balance Sheet

GCT ended the September quarter with $17.2 million in cash and $59.8 million in debt. Working capital was then negative $31.7 million. For the third quarter, the company had negative free cash flow (not including changes in working capital) of $13.5 million.

During the Quarter

GCT executed an amendment with KEB Hana Bank to extend the maturity date for the principal amount of KRW 8.0 billion ($5.2 million) with an annual interest rate of 5.3% to July 2027.

GCT partially repaid KRW 2.0 billion ($1.3 million) of the promissory note issued to Anapass, Inc. and entered into an amendment with Anapass, Inc. to extend the maturity date of the promissory note with the remaining outstanding principal of KRW 4.0 billion ($2.6 million) from July 2026 to July 2027 and change the annual interest rate from 5.5% to 7.0%. In July 2026, the company also executed an amendment with Anapass, Inc. to extend the maturity date of a term loan with a principal amount of KRW 3.0 billion ($2.1 million) and increase the annual interest rate from 6.5% to 7.0% for the period from July 2026 to July 2027. In August 2026, GCT executed an amendment with Anapass, Inc. to extend the maturity date of a term loan of KRW 2.0 billion ($1.4 million) at an annual interest rate of 6.5% to 7.0% from August 2026 to August 2027.

GCT partially repaid KRW 1.0 billion ($0.6 million) of the principal amount of the term loan agreement with i Best Investment Co., Ltd. executed in September 2022

After the Quarter Ended

In October 2026, GCT partially repaid $1.5 million of the term loan and entered into an amendment with Mujin Electronics Co., Ltd. to extend the maturity date of the term loan with the remaining outstanding principal of $2.2 million from October 2026 to February 2027 and change the annual interest rate from 6.8% to 8.0%.

In November 2026, GCT executed an amendment with Anapass, Inc. to extend the maturity date for a term loan of the principal amount of $2.2 million from November 2026 to November 2027.

## 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 began growing revenues sequentially in Q4 of 2025. Due to a steep production ramp, it is expected that GCT could break even when revenues are $25 million per quarter.

- 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 several companies that are expected to result in orders for 5G products. These companies include: Verizon, Airspan, Ligado, Kyocera, Orbic, Aramco Digital, and a European tier-one telecom supplier.

- Last 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.

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

- As of last night's close, the stock traded at an enterprise value of $169 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 $2.30 based on $180 million in revenues in 2028 and a conservative EV-to-sales ratio of 3.0x.

## 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 2025, the company had 126 full-time employees, with 101 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 80 in research and development, 18 in sales and marketing, 22 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. 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.

## VALUATION

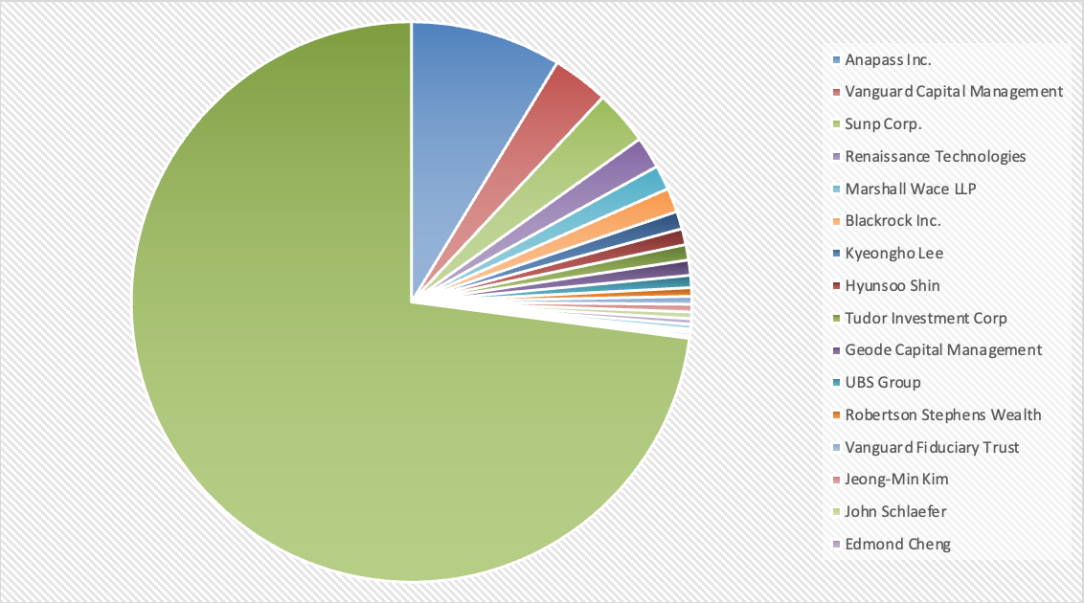
GCT is a fabless semiconductor company. Third parties would manufacture its devices, and we expect margins similar to those of the companies below. They now trade at an average of 6.7x enterprise value to estimated 2027 revenues. As of last night, GCT traded at an enterprise value of $170 million. We need to look further out to where we think revenues would be by 2027, at $50 million, or $180 million in 2028. If we say the company could be worth half the 6.7 multiple on 2028 revenues, this gives us an enterprise valuation of $298 million, a market value of $255 million, and a stock price of about $2.30 per share. This lower number is due to unexpected dilution from delays.

| | | Calendar | | | | EBIDTA | Enterprise Value / Sales | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Ticker | 2027E | 2026E | LTM | EBITDA | Margin | 2027E | 2026E | LTM | EV/EBITDA | Ent. Value |
| AMD | AMD | $95,860 | $52,230 | $45,440 | 11,140 | 25% | 9.4x | 17.2x | 19.8x | 80.8x | 899,940 |
| Broadcom | AVGO | NA | $123,710 | $89,100 | 52,260 | 59% | NA | 13.6x | 18.9x | 32.1x | 1,680,000 |
| Cirrus Logic | CRUS | NA | $2,040 | $2,050 | 513 | 25% | NA | 2.7x | 2.7x | 10.6x | 5,450 |
| Marvell | MRVL | $19,780 | $12,070 | $9,450 | 2,850 | 30% | 7.7x | 12.7x | 16.2x | 53.8x | 153,230 |
| MediaTek | 2454.TW | $36,300 | $20,800 | $18,840 | 3,630 | 19% | 4.5x | 7.8x | 8.6x | 44.7x | 162,400 |
| Monolithic Power Systems | MPWR | $6,550 | $4,340 | $3,740 | 1,170 | 31% | 10.8x | 16.4x | 19.0x | 60.7x | 71,040 |
| NVIDIA | NVDA | $692,090 | $411,880 | $302,970 | 201,270 | 66% | 6.0x | 10.1x | 13.8x | 20.7x | 4,170,000 |
| Semtech | SMTC | $2,040 | $1,500 | $1,170 | 179 | 15% | 5.9x | 8.0x | 10.2x | 66.8x | 11,970 |
| Sequans | SQNS | $53 | $33 | $24 | (111) | -471% | 0.1x | 0.1x | 0.1x | 0.0x | 3 |
| Qualcomm | QCOM | NA | $41,420 | $43,120 | 10,620 | 25% | NA | 4.7x | 4.6x | 18.5x | 196,360 |
| **Average** | | | | | | **-15%** | **6.7x** | **9.3x** | **11.1x** | **40.9x** | **1,025,146** |

## 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 25 | Q2 25 | Q3 25 | Q4 25 | Q1 26 | Q2 26 | Q3 26 | Q4 26E | 2025 | 2026E | 2027E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | | | | | |
| Product | $ 91 | $ 408 | $ 148 | $ 484 | $ 472 | $ 402 | $ 499 | $ 500 | $ 1,131 | $ 1,873 | $ 45,000 |
| Service | 405 | 774 | 282 | 274 | 1,448 | 569 | 570 | 600 | 1,735 | 3,187 | 5,000 |
| Total net revenues | **496** | **1,182** | **430** | **758** | **1,920** | **971** | **1,069** | **1,100** | **2,866** | **5,060** | **50,000** |
| Growth % | -85% | -19% | -84% | -58% | 287% | -18% | 149% | 45% | -69% | 77% | 888% |
| Cost of revenue | | | | | | | | | | | |
| Cost of product | 207 | 582 | 1,419 | 1,818 | 895 | 1,041 | 1,034 | 1,034 | 4,026 | 4,004 | 40,000 |
| Product gross margin | (116) | (174) | (1,271) | (1,334) | (423) | (639) | (535) | (534) | (2,895) | (2,131) | 5,000 |
| Product gross margin % | -127% | -43% | -859% | -276% | -90% | -159% | -107% | -107% | -256% | -114% | 11% |
| Cost of service | 201 | 222 | 61 | 173 | 78 | 156 | 119 | 120 | 657 | 473 | 1,200 |
| Service gross margin % | 50% | 71% | 78% | 37% | 95% | 73% | 79% | 80% | 62% | 85% | 76% |
| Total cost of revenues | 408 | 804 | 1,480 | 1,991 | 973 | 1,197 | 1,153 | 1,154 | 4,683 | 4,477 | 41,200 |
| Gross margin | **88** | **378** | **(1,050)** | **(1,233)** | **947** | **(226)** | **(84)** | **(54)** | **(1,817)** | **583** | **8,800** |
| Gross margin % | 17.7% | 32.0% | -244.2% | -162.7% | 49.3% | -23.3% | -7.9% | -4.9% | -63.4% | 11.5% | 17.6% |
| **Operating expenses** | | | | | | | | | | | |
| R&D | 4,096 | 3,514 | 3,258 | 3,137 | 3,174 | 3,289 | 3,328 | 3,328 | 14,005 | 13,119 | 14,000 |
| Sales and Marketing | 1,118 | 1,021 | 1,048 | 1,056 | 1,158 | 1,087 | 1,026 | 1,100 | 4,243 | 4,371 | 4,500 |
| G&A | 2,614 | 3,435 | 3,898 | 6,528 | 2,747 | 2,813 | 2,934 | 2,900 | 16,475 | 11,394 | 12,000 |
| Operating expenses | 7,828 | 7,970 | 8,204 | 10,721 | 7,079 | 7,189 | 7,288 | 7,328 | 34,723 | 28,884 | 30,500 |
| Operating income | (7,740) | (7,592) | (9,254) | (11,954) | (6,132) | (7,415) | (7,372) | (7,382) | (36,540) | (28,301) | (21,700) |
| | | | | | | | | | | | |
| Interest expense | (1,070) | (1,532) | (1,783) | (1,641) | (1,809) | (1,212) | (895) | (895) | (6,026) | (4,811) | (5,000) |
| Gain on foreign currency | 21 | (3,217) | 1,320 | 1,092 | 2,578 | 780 | (5,382) | 0 | (784) | (2,024) | 0 |
| Change in FV of common stock forward liability | 295 | 0 | 16 | 1 | 3 | 0 | 0 | 0 | 312 | 3 | 0 |
| Change in FV of common stock warrant liability | 1,649 | (1,010) | (3,812) | 4,053 | (3,125) | (12,320) | 6,214 | 0 | 880 | (9,231) | 0 |
| Change in FV of conv. promissory notes | (19) | (157) | (164) | 4 | (1,286) | (220) | (42) | 0 | (336) | (1,548) | 0 |
| Other income | 1 | 9 | 6 | 8 | 35 | 117 | 165 | 0 | 24 | 317 | 0 |
| **Pretax income** | (6,863) | (13,499) | (13,671) | (8,437) | (9,736) | (20,270) | (7,312) | (8,277) | (42,470) | (45,595) | (26,700) |
| Income tax | 105 | 39 | 178 | 580 | 128 | 108 | 76 | 200 | 902 | 512 | 900 |
| Net loss | (6,968) | (13,538) | (13,849) | (9,017) | (9,864) | (20,378) | (7,388) | (8,477) | (43,372) | (46,107) | (27,600) |
| Non-GAAP net loss | (7,987) | (7,557) | (7,601) | (11,724) | (7,496) | (7,842) | (7,917) | (5,777) | (34,869) | (29,032) | (24,700) |
| | | | | | | | | | | | |
| Basic and diluted net loss per share | $ (0.15) | $ (0.26) | $ (0.25) | $ (0.16) | $ (0.15) | $ (0.25) | $ (0.08) | $ (0.09) | $ (0.82) | $ (0.55) | $ (0.26) |
| Yr-to-yr growth | -592.4% | 1006.1% | 60.1% | 47.1% | 2.0% | -5.7% | -67.8% | -42.2% | 169% | -32% | -53% |
| Non-GAAP loss per share | (0.17) | (0.15) | (0.14) | (0.21) | (0.11) | (0.09) | (0.09) | (0.06) | (0.66) | (0.35) | (0.24) |
| Share outstanding (millions) | 47,606 | 51,703 | 55,462 | 56,717 | 66,070 | 82,556 | 91,862 | 92,212 | 52,872 | 83,175 | 105,000 |
| Diluted shares outstanding | 47,606 | 51,703 | 55,462 | 56,717 | 66,070 | 82,556 | 91,862 | 92,212 | 52,872 | 83,175 | 105,000 |
| Yr-to-yr growth | 86.9% | 17.3% | 21.5% | 23.3% | 38.8% | 59.7% | 65.6% | 62.6% | 30% | 57% | 26% |
| | | | | | | | | | | | |
| Adjusted EBITDA | (6,888) | (6,745) | (7,041) | | (5,241) | (6,629) | (6,469) | | | | |

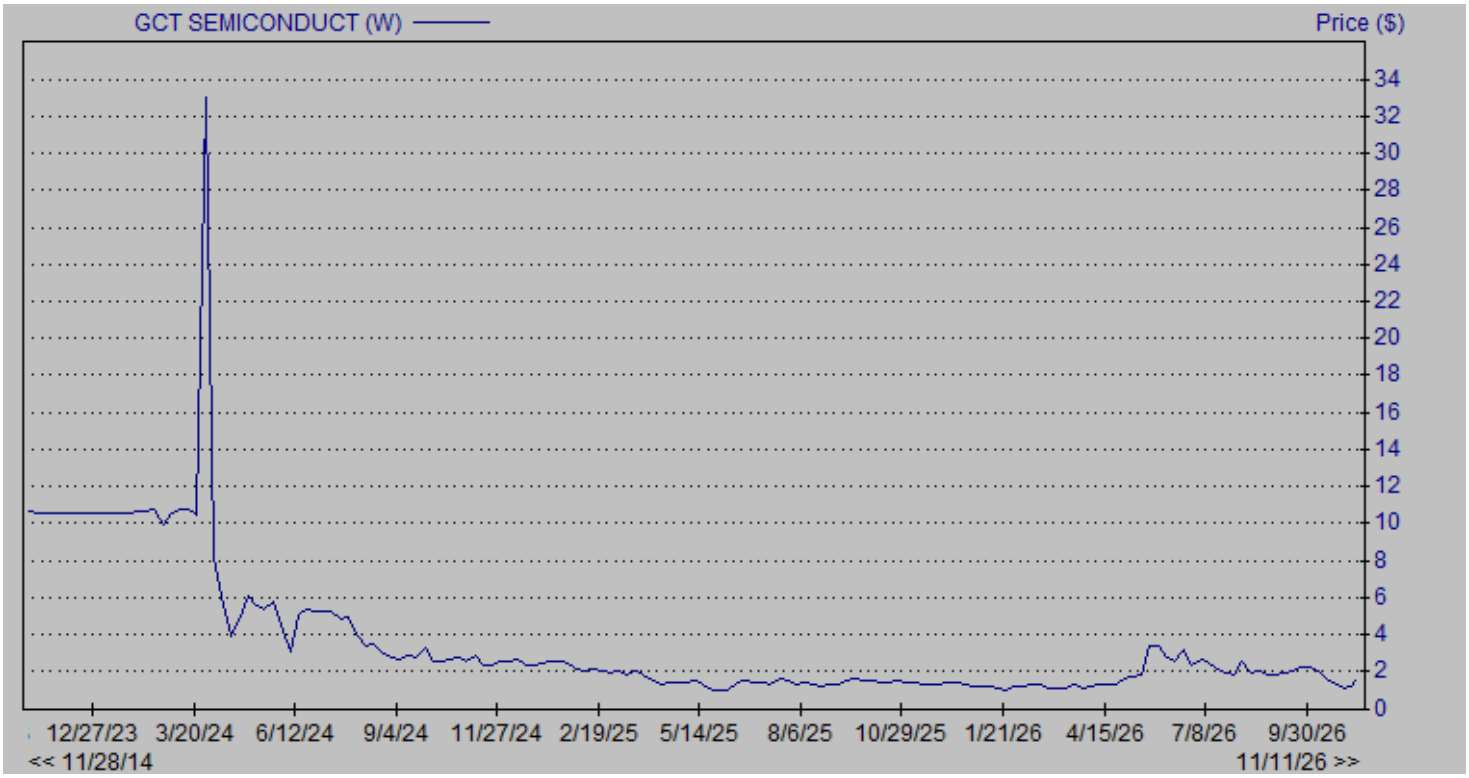
## BALANCE SHEET

| Dollars in thousands | Sept 30, 2026 | June 30, 2026 | Qtr-Qtr % Growth | Sept. 30, 2025 | Yr-Yr % Growth |
|---|---|---|---|---|---|
| **Current** | | | | | |
| Cash and cash equivalents | **$ 17,155** | **$ 30,228** | -43% | **$ 8,343** | 106% |
| Accounts receivable | 484 | 1,148 | -58% | 3,686 | -87% |
| Inventory | 3,328 | 1,464 | 127% | 1,905 | 75% |
| Contract assets | 4,172 | 5,143 | -19% | 5,631 | -26% |
| Prepaids and other current assets | 8,917 | 8,683 | 3% | 2,302 | 287% |
| Current Assets | 34,056 | 46,666 | -27% | 21,867 | 56% |
| | | | | | |
| Property and equipment | 3,897 | 2,493 | 56% | 1,582 | 146% |
| Right of use asset | 245 | 337 | -27% | 412 | -41% |
| Intangible assets | 0 | 0 | 0% | 10 | -100% |
| Other assets | 313 | 336 | -7% | 404 | -23% |
| Total Assets | 38,511 | 49,832 | -23% | 24,275 | 59% |
| | | | | | |
| **Liabilities** | | | | | |
| Accounts payable | 224 | 218 | 3% | 1,053 | -79% |
| Contract liabilities | 60 | 81 | -26% | 11 | 445% |
| Accrued and other current liabilities | 12,870 | 17,074 | -25% | 20,970 | -39% |
| Common stock forward liability | 0 | 0 | 0% | 4 | -100% |
| Borrowings | **52,415** | **39,053** | 34% | **59,413** | -12% |
| Convertible promissory note | **0** | **0** | 0% | **5,287** | -100% |
| Operating lease liabilities | 206 | 316 | -35% | 372 | -45% |
| Current Liabilities | 65,775 | 56,742 | 16% | 87,110 | -24% |
| | | | | | |
| Long term borrowings | **2,208** | **11,028** | -80% | 0 | NA |
| Convertible promissory notes, net | **5,226** | **5,184** | 1% | 0 | NA |
| Net defined benefit liabilities | 8,320 | 7,439 | 12% | 7,913 | 5% |
| Lease liability | 47 | 31 | 52% | 63 | -25% |
| Income taxes payable | 2,671 | 2,368 | 13% | 2,330 | 15% |
| Warrant liability | 12,101 | 18,315 | -34% | 6,923 | 75% |
| Other liabilities | 816 | 741 | 10% | 85 | 860% |
| Total liabilities | 97,164 | 101,848 | -5% | 104,424 | -7% |
| | | | | | |
| **Shareholders' Equity** | | | | | |
| Common stock | 9 | 9 | 0% | 6 | 50% |
| Additional paid in capital | 581,281 | 580,837 | 0% | 515,603 | 13% |
| Accumulated other comprehensive income | (92) | 2,785 | -103% | 630 | -115% |
| Accumulated deficit | (639,851) | (635,647) | 1% | (596,388) | 7% |
| Shareholder's Equity | (58,653) | (52,016) | 13% | (80,149) | -27% |
| Tot Liabilities and Share. Equity | $ 38,511 | $ 49,832 | -23% | $ 24,275 | 59% |
| | | | | | |
| Cash and cash equivalents | $ 17,155 | $ 30,228 | -43% | $ 8,343 | 106% |
| Current ratio | 0.5 | 0.8 | -37% | 0.3 | 106% |
| Quick ratio | 0.5 | 0.8 | -41% | 0.2 | 104% |
| Working capital | (31,719) | (10,076) | 215% | (65,243) | -51% |
| Debt | 59,849 | 55,265 | 8% | 64,700 | -7% |
| Debt as a % of assets | 155% | 111% | 40% | 267% | -42% |

## CASH FLOWS

| Dollars in Thousands | 2024 | Mar. 31, 2025 | Jun. 30, 2025 | Sep. 30, 2025 | Dec. 31, 2025 | 2025 | Mar. 31, 2026 | Jun. 30, 2026 | Sep. 30, 2026 |
|---|---|---|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | | | | |
| Net loss | $ (12,379) | $ (6,968) | $ (13,538) | $ (13,849) | $ (9,017) | $ (43,372) | $ (9,864) | $ (20,378) | $ (7,388) |
| **Adjustments for:** | | | | | | | | | |
| Depreciation and amortization | 691 | 170 | 161 | 175 | 238 | 744 | 272 | 278 | 385 |
| Loss on impairment of long-lived assets | 787 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of right of use assets | 634 | 171 | 178 | 171 | 187 | 707 | 173 | 173 | 183 |
| Stock-based compensation | 2,700 | 511 | 512 | 1,871 | 3,436 | 6,330 | 445 | 344 | 350 |
| Write-off of contract assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 476 |
| Issuance of common stock to underwriter | 667 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in provision for credit losses | (431) | 311 | 1,055 | (14) | 1,461 | 2,813 | 565 | 564 | 479 |
| Change in FV of common stock liab. | 0 | (295) | 0 | (16) | (1) | (312) | (3) | 0 | 0 |
| Change in FV of warrant liabilities | (2,208) | (1,649) | 1,010 | 3,812 | (4,053) | (880) | 3,125 | 12,320 | (6,214) |
| Change in FV of conv. promissory note | 1,470 | 19 | 157 | 164 | (4) | 336 | 1,286 | 220 | 42 |
| FV of common stock wts issued w/ convertible note extensio | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 155 | 0 |
| Loss from initial recogition of stock forward liab. | 586 | 0 | 0 | 0 | 0 | 0 | 155 | 0 | 0 |
| Gain on extinguishment of liability | (14,636) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net change in non-cash working capital accounts:** | | | | | | | | | |
| Accounts receivable | (339) | 888 | (340) | 154 | (372) | 330 | (388) | 708 | 185 |
| Inventory | (1,491) | (147) | 129 | 1,090 | 958 | 2,030 | (611) | 94 | (1,864) |
| Contract assets | (1,668) | (392) | (463) | 331 | 199 | (325) | 322 | (33) | 495 |
| Prepaid and other current assets | 1064 | 1144 | 202 | (923) | (236) | 187 | (488) | (5,924) | (134) |
| Other assets | (327) | 24 | 55 | 40 | 23 | 142 | 23 | 21 | 24 |
| Accounts payable | (2,563) | 407 | (890) | 505 | (424) | (402) | 73 | (484) | 6 |
| Contract liabilities | 0 | (12) | (12) | (13) | (11) | (48) | 131 | (50) | (21) |
| Accrued and other current liabilities | (3,232) | (1,890) | 3,078 | (25) | 42 | 1,205 | (2,519) | (4,730) | 4,600 |
| Net defined benefit liabilities | 480 | 237 | 895 | (179) | (417) | 536 | (48) | 429 | (107) |
| Income tax payable | 91 | (96) | (228) | (125) | 426 | (23) | (48) | 1 | 106 |
| Lease liabilities | (620) | (172) | (622) | (29) | (94) | (917) | (179) | (176) | (185) |
| Other liabilities | (233) | (212) | 23 | (3) | 436 | 244 | 149 | 67 | 64 |
| Cash flows from operating activities | (30,957) | (7,951) | (8,638) | (6,863) | (7,223) | (30,675) | (7,429) | (16,401) | (8,518) |
| **INVESTING ACTIVITIES** | | | | | | | | | |
| Purchase of property and equipment | (542) | (118) | (91) | (934) | (1,268) | (2,411) | (65) | (321) | (1,772) |
| Cash flows from investing activities | (542) | (118) | (91) | (934) | (1,268) | (2,411) | (65) | (321) | (1,772) |
| **FINANCING ACTIVITIES** | | | | | | | | | |
| Proceed from borrowings | 11,860 | 7,500 | 0 | 14,263 | 0 | 21,763 | 0 | 0 | 0 |
| Proceeds from common stock | 8,532 | 189 | 1 | 0 | 0 | 190 | 0 | 0 | 0 |
| Proceeds from common stock ATM | 0 | 0 | 487 | 983 | 815 | 2,285 | 12,709 | 42,944 | 128 |
| Proceeds from common stock & warrants RD | 2,240 | 0 | 11,000 | 0 | 0 | 11,000 | 0 | 0 | 0 |
| Proceeds from exercise of options | 15 | 19 | 2 | 0 | 0 | 21 | 1 | 2 | 0 |
| Payment of issuance costs | 0 | 0 | (847) | (308) | (26) | (1,181) | (427) | (1,408) | (34) |
| Taxes withheld on RSUs | 0 | (11) | 0 | 0 | 0 | (11) | (8) | 0 | 0 |
| Proceeds from reverse cap and PIPEs | 17,238 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Proceeds from conv. promissory notes | 16,290 | 0 | 0 | 0 | 1,860 | 1,860 | 2,790 | 0 | 0 |
| Refund of exise tax assumed in reverse capital. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 216 |
| Repayments of borrowings | (14,065) | 0 | (2,212) | 0 | (1,469) | (3,681) | (925) | (1,687) | (2,208) |
| Repayments of conv. promissory notes | (5,637) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash flows from financing | 36,473 | 7,697 | 8,431 | 14,938 | 1,180 | 32,246 | 14,140 | 39,851 | (1,898) |
| EFFECT OF EX RATE ON CASH | (3,797) | (24) | 525 | (64) | (442) | (5) | (51) | 69 | (885) |
| NET CHANGE IN CASH | 1,177 | (396) | 227 | 7,077 | (7,753) | (845) | 6,595 | 23,198 | (13,073) |
| CASH AND CASH EQUIVALENTS, beg. | 258 | 1,435 | 1,039 | 1,266 | 8,343 | 1,435 | 590 | 7,185 | 30,228 |
| CASH AND CASH EQUIVALENTS, end | 1,435 | 1,039 | 1,266 | 8,343 | 590 | 590 | 7,185 | 30,383 | 17,155 |
| Cash flow | (22,119) | (7,730) | (10,465) | (7,686) | (7,753) | (33,634) | (3,846) | (6,324) | (11,687) |
| Free cash flow | (22,661) | (7,848) | (10,556) | (8,620) | (9,021) | (36,045) | (3,911) | (6,645) | (13,459) |

## HISTORICAL STOCK PRICE




Source: Zacks Investment Research

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