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Zacks Small-Cap Research

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Gaxos.AI Inc. (NASDAQ: GXAI)

GXAI: Gaxos.AI Cuts Back Spending as Ad Rates Increase Seasonally, But Still Grows

We believe that Gaxos.AI's stock is worth $3.70 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 (11/16/26)	$0.43
Valuation	**$3.70**

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+, Naltrexone, 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. The company currently trades at a negative enterprise value of $7.4 million.

SUMMARY DATA

52-Week High	**$2.00**
52-Week Low	**$0.37**
One-Year Return (%)	**-62.6**
Beta	**1.1**
Average Daily Volume (sh)	**749,204**
Shares Outstanding (mil)	**13.8**
Market Capitalization ($mil)	**$5.9**
Short Interest Ratio (days)	**0.1**
Institutional Ownership (%)	**43**
Insider Ownership (%)	**3**
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	2.5 A	2.8 A	2.5 E	9.6 E
2027					14.4 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	$0.02 A	-$0.08 A	-$0.08 E	-$0.30 E
2027					-$0.30 E

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Gaxos.AI Reduces Marketing Spend and Still Grows

Gaxos.AI reported Q3 with slightly lower revenues and losses than we expected. Revenues were up 465% to $2.8 million and up sequentially from $2.6 million in Q2. Losses decreased as the company pulled back from spending on advertising as rates went up due to seasonality, and management determined that those prices would not result in profitable outcomes. They refuse to grow revenues at all costs. We expect further pull back in spending in Q4 and possibly lower sequential revenues. In Q1, we expect the company to return to its previous spend as ad rates go back down. Currently, its biggest seller in the health business is Naltrexone, a prescription medication classified as an opioid antagonist. It is approved by the FDA to help treat alcohol use disorder (AUD) and opioid use disorder. It is popular because it is non-addictive, curbs cravings, supports alcohol moderation without sickness, costs little, and is easily prescribed via telehealth. It also helps manage weight loss and chronic pain.

The company is considering adding other products to RNK Health's lineup. One is erectile dysfunction medicine, but possibly more promising are new peptides. On October 28, 2026, HHS issued a policy allowing licensed compounding pharmacies to prepare six peptides under specific safeguards. Two of them, BPC-157 and TB-500, are part of the "Wolverine Stack"—to accelerate physical recovery. The name comes from the Marvel superhero and is heavily promoted in bodybuilding, biohacking, and sports recovery circles for treating tendon, ligament, muscle, and joint injuries. Before this policy change, users had to buy these products through unregulated online "research chemical" websites and foreign underground labs. Now legal sources are beginning to enter the market.

We are adjusting our Q4 numbers to account for spending and seasonality. We are encouraged by the continued growth and lower cash burn this quarter. With $13 million in cash, the company has considerable runway, burning between $1 and $2 million in cash per quarter. It should be exiting the year at a $10 million run rate, having grown from nothing in two years. We are keeping 2027 estimates virtually as is. The stock trades at a negative enterprise value of $7.4 million, using $13 million in cash plus short-term investments and a 13.8 million share count. We believe the stock could be worth $3.70, based on $14 million in revenue in 2027 at a blended EV-to-Sales multiple, in line with its peers.

Q3 2026 Results

In Q3 of 2026, revenues were $2.8 million versus $498,000 in the year-ago period. RNK Health contributed the majority of revenues. It had $2.0 million in revenue in the quarter, up from $441,000 last year and $1.7 million in Q2 2026. Gaxos Labs contributed $856,000 compared with $57,000 in Q3 2025. The total run rate is now $11.3 million. Losses and cash burn decreased year over year and sequentially as less was spent on advertising. The negative free cash flow was only $852,000 versus $1.6 million in Q2 2026. Taking out marketing expenses, expenses only increased 44% while revenues increased 465%

The company spent $526,000 less on marketing in Q3 than in Q2, which is the main reason for reduced losses. It achieved revenue per dollar of advertising and marketing expense of approximately $1.08, compared with $0.78 in the second quarter, an improvement of approximately 38%. This means it increased revenues more than it spent on marketing for the first time. The reason for the pullback in spending was the increase in ad rates that made some buys uneconomic.

The increase in professional fees of $111,000 was primarily attributable to an increase in investor relations fees of $46,250, an increase in stock-based consulting fees attributable to the accretion of stock-based consulting fees related to the issuance of stock options to consultants of $15,397, and an increase in legal fees of $66,120, offset by a decrease in advisory and recruiting fees of $17,268.

The operating loss decreased to $1.1 million, from $1.3 million in 2025.

Other income was $137,000, compared to $174,000 in 2025, with the difference being realized gains and losses. Net loss after adding back minority income losses was $930,000, compared to $1.1 million. The loss per share was $0.08, compared with a loss of $0.14 in 2025. Average shares outstanding increased to 12.2 million in Q3 2026 versus 7.1 million in Q3 2025, or 71%.

Balance Sheet

Gaxos.AI ended the September quarter with $13.3 million in cash and short-term investments (or $1.09 per share) 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 $12.7 million. In the quarter, the company had negative free cash flow (excluding changes in working capital) of $852,000.

Aug. 17, 2026, Gaxos reset the price of 3,007,654 warrants originally issued to Intracoastal Capital, Michael P. Kopin, and Daniel B. Asher in December 2024 and September 2024 to $1.20 to induce the exercise of these warrants. The warrants originally had exercise prices ranging from $2.33 to $3.32 per share. They were exercised, and the aggregate gross proceeds were approximately $3.6 million. In consideration for their immediate exercise, Gaxos issued new unregistered warrants to purchase up to 6,015,308 shares at $0.95 per share.

On November 11, the company had 13,752,288 common shares, 7,667,296 warrants, and 284,084 options outstanding, all out of the money.

During the Quarter

On August 3rd, Gaxos announced that its Board of Directors authorized a new share repurchase program, under which the company may repurchase up to $1 million in stock.

On September 28, 2026, Gaxos was notified by Nasdaq that it is not in compliance with the minimum bid price requirement of $1.00 per share. The company has 180 calendar days, or until March 29, 2027, to regain compliance. If it does not regain compliance by March 29, 2027, an additional 180 days may be granted. Management intends to monitor the closing bid price and may, if appropriate, consider implementing available options, including, but not limited to, implementing a reverse stock split of its outstanding securities.

After the Quarter Ended

On November 10, 2026, Gaxos launched *ArtGen Muse*, an AI video generation model available through its *ArtGen* platform. It is designed to deliver high-quality video while lowering generation costs.

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 70% in the first nine months of 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 revenue. Based on the last reported quarter, the health business is currently at a $7.8 million run rate and growing rapidly. Gaxos Labs' run rate was $3.4 million; its main product launched in mid-August of last year.

- The company missed revenue estimates in the third quarter, but reduced losses more than expected, reducing its burn rate. As a result, we are adjusting our estimates for 2026 to $9.6 million in revenue and a loss of $0.17 per share.

- The company is now burning between $1.0 million and $2 million a quarter. It has approximately $13 million in cash and cash equivalents, or $1.09 per share. This gives it runway for approximately eight quarters if cash burn does not increase.

- The stock trades at a negative enterprise value of $7.4 million, using $13 million in cash plus short-term investments and a 13.8 million share count. We believe the stock could be worth $3.70, based on $14 million in revenue in 2027 at a blended EV-to-Sales multiple, in line with its peers.

OVERVIEW

Gaxos.AI was founded in 2021, IPOed in February 2023 as The NFT Gaming Company, and renamed Gaxos.AI in 2024. The company has only three full-time employees, and the rest are consultants. It consists of two businesses, with RNK Health being the largest by 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.

VALUATION

Gaxos.AI runs 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 2027 revenue forecasts for both businesses gives an enterprise value of $32 million, a market cap of $45 million, and a share price of $3.70.

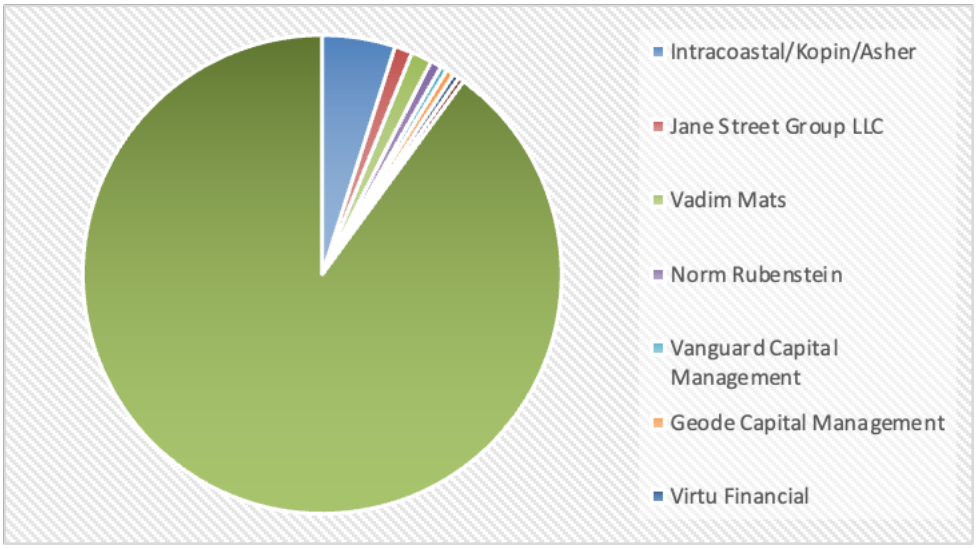
SaaS		Cal. Revenue			TTM	Enterprise Value / Sales			EV/	Enterprise	EBITDA
Company	Ticker	2027E	2026E	LTM	EBITDA	2027E	2026E	LTM	EBITDA	Value	Margin
Adobe	ADBE	$29,040	$26,610	$25,970	$9,920	3.2x	3.5x	3.6x	9.5x	93,960	38.2%
C3AI	AI	$222	$249	$232	-$447	NA	5.1x	5.4x	-2.8x	1,260	-192.4%
Elastic	ESTC	$2,010	$1,730	$1,800	-$22	NA	4.9x	4.7x	-380.3x	8,480	-1.2%
Ibotta	IBTA	$392	$365	$358	-$3	3.1x	3.4x	3.4x	-361.8x	1,230	-1.0%
Meitu	1357.HK	$812	$666	$593	$72	2.4x	2.9x	3.2x	26.6x	1,910	12.1%
Roblox	RBLX	$7,840	$6,990	$5,900	-$770	4.4x	4.9x	5.8x	-44.7x	34,410	-13.0%
Salesforce	CRM	$46,300	$41,500	$43,940	$12,900	4.5x	5.1x	4.8x	16.2x	209,620	29.4%
Snap	SNAP	$7,540	$6,820	$6,570	$189	1.4x	1.5x	1.6x	55.1x	10,440	2.9%
Twilio	TWLO	$6,770	$6,070	$5,830	$586	4.6x	5.1x	5.3x	52.6x	30,850	10.1%
WIX	WIX	$2,500	$2,260	$2,200	-$157	1.5x	1.7x	1.7x	-23.9x	3,740	-7.1%
Zoom	ZM	$5,090	$4,860	$4,990	$1,330	4.3x	4.5x	4.4x	16.5x	21,930	26.7%
Average						**2.9x**	**3.9x**	**4.0x**	**-64.6x**	**32,387**	**-13.4%**

Company	Ticker	2027E	2026E	LTM	EBITDA	2027E	2026E	LTM	EBITDA	Value	Margin
GoodRx	GDRX	$830	$798	$785	$109	1.7x	1.8x	1.8x	13.3x	1,450	13.9%
Hims & Hers Health	HIMS	$3,860	$3,140	$2,870	-$76	1.4x	1.7x	1.9x	-72.5x	5,470	-2.6%
LifeMD	LFMD	$241	$205	$189	-$20	0.4x	0.4x	0.5x	-4.6x	90	-10.4%
LifeVantage Corp.	LFVN	$170	$161	$172	$7	0.3x	0.4x	0.3x	8.2x	59	4.2%
Nature's Sunshine	NATR	$479	$467	$480	$39	0.2x	0.2x	0.2x	2.9x	111	8.1%
WW International	WW	$629	$629	$646	$105	0.7x	0.7x	0.7x	4.0x	423	16.3%
Average						**0.8x**	**0.9x**	**0.9x**	**-8.1x**	**1,267**	**4.9%**

RISKS

- Gaxos.AI is a startup with two business endeavors, neither of which makes 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 reduced the prices of GLP-1s, changing revenue per dose.
- Both of the company's main businesses are extremely competitive, and as a small company generating losses, it may have difficulty growing its market share.
- The company is burning cash and has sold equity to fund spending, diluting current shareholders.
- The stock is not in compliance with the Nasdaq $1.00 rule, and there is a risk the company may have to reverse split the stock in 2027.

OWNERSHIP



INCOME STATEMENT

	March Q1 25	June Q2 25	Sept Q3 25	Dec Q4 25	March Q1 26	June Q2 26	Sept Q3 26	Dec Q4 26E	2024	2025	2026E	2027E
RNK Health	$22,552	$170,398	$441,227	$875,709	$1,245,909	$1,737,052	$1,958,620	$1,800,000	$0	$1,509,886	$6,741,581	$10,112,372
Gaxos Labs Subscription Service	$51	$556	$57,042	$364,346	$563,458	$720,305	$855,907	$700,000	$42	$421,995	$2,839,670	$4,259,505
Health coaching	$1,124	$0	$0	$0	$0	$0	$0	$0	$3,952	$1,124	$0	$0
In-app games	$5	$18	$2	$0	$0	$0	$0	$0	$33	$25	$0	$0
REVENUE	$23,732	$170,971	$498,271	$1,240,056	$1,809,367	$2,457,357	$2,814,527	$2,500,000	$4,027	$1,933,030	$9,581,251	$14,371,877
Yr-to-yr Gr.	NM	NA	18327%	94996%	NM	NM	465%	261%	1473%	47902%	396%	50%
OPERATING EXPENSES												
R&D	220,989	243,020	274,021	NA	446,422	506,971	502,826	510,000	0	0	0	0
Compensation & related benefits	588,985	184,753	188,360	307,745	599,255	157,604	156,819	310,000	872,899	1,269,843	1,223,678	1,407,230
Professional fees	232,890	125,956	192,769	170,521	251,189	190,578	303,285	263,285	946,200	722,136	1,008,337	800,000
Advertising & marketing	217,883	431,074	903,258	1,530,000	2,766,824	3,141,273	2,615,679	2,300,000	367,351	3,082,784	10,823,776	16,000,000
Other G&A expenses	154,680	168,862	254,618	459,172	292,799	325,141	350,340	400,000	524,695	781,122	1,368,280	1,400,000
Tot Operating Exp.	1,415,427	1,153,665	1,813,026	2,467,438	4,356,489	4,322,112	3,928,949	3,783,285	3,707,632	6,849,556	14,424,071	19,607,230
Operating Income	(1,391,695)	(982,694)	(1,314,755)	(1,227,382)	(2,547,122)	(1,864,755)	(1,114,422)	(1,283,285)	(3,703,605)	(4,916,526)	(4,842,820)	(5,235,353)
Interest income	148,188	146,902	156,034	161,161	158,110	113,753	174,529	150,000	157,557	612,285	596,392	300,000
Unrealized gain on short-term investments	0	8,615	7,419	5,911	(21,945)	0	0	0	0	21,945	(21,945)	0
Realized gain on short term investments	11,445	2,605	10,429	5,568	10,711	24,879	(2,111)	0	121,765	30,047	33,479	0
Realized loss on exchange of equity securities	0	0	0	(29,998)	(74,000)	(46,000)	(35,000)	0	0	(29,998)	(155,000)	0
Gain on sale of gaming assets	0	0	0	0	0	1,749,890	0	0	0	0	1,749,890	0
Total other income	159,633	158,122	173,882	172,640	72,876	1,842,522	137,418	150,000	279,322	634,279	2,202,816	300,000
Profit before tax	(1,232,062)	(824,572)	(1,140,873)	(1,054,742)	(2,474,246)	(22,233)	(977,004)	(1,133,285)	(3,424,283)	(4,282,247)	(2,640,004)	(4,935,353)
Taxes	0	0	0	0	0	0	0	0	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%
Net income	(1,232,062)	(824,572)	(1,140,873)	(1,054,742)	(2,474,246)	(22,233)	(977,004)	(1,133,285)	(3,424,283)	(4,282,247)	(2,640,004)	(4,935,353)
Minority interest	40,262	75,184	139,399	126,819	301,721	263,289	47,365	90,000	6,086	381,664	702,375	400,000
GAAP Net income	(1,191,800)	(749,388)	(1,001,474)	(927,923)	(2,172,525)	241,056	(929,639)	(1,043,285)	(3,418,197)	(3,900,583)	(1,937,629)	(4,535,353)
Yr-to-yr Gr.	31%	-7%	16%	11%	82%	-132%	-7%	-65%	-11%	14%	-50%	134%
Stock based compensation	32,880	30,473	33,517	40,021	53,866	45,201	38,041	40,000	0	0	177,108	200,000
One-time	0	0	0	0	0	(1,749,890)	0	0	0	0	(1,749,890)	0
Non-GAAP Net Income	(1,158,920)	(718,915)	(967,957)	(887,902)	(2,118,659)	(1,463,633)	(891,598)	(1,003,285)	(3,418,197)	(3,900,583)	(3,510,411)	(4,335,353)
Primary EPS	**($0.17)**	**($0.11)**	**($0.14)**	**($0.13)**	**($0.25)**	**$0.02**	**($0.08)**	**($0.08)**	**($1.92)**	**($0.55)**	**($0.17)**	**($0.30)**
Non-GAAP EPS	($0.17)	($0.10)	($0.14)	($0.12)	($0.24)	($0.14)	($0.07)	($0.07)	($1.92)	($0.55)	($0.31)	($0.29)
Yr-to-yr Gr.	-82%	-86%	-78%	-79%	48%	40%	-46%	-82%		-71%	-43%	-8%
Primary Share Out	7,001,231	7,123,453	7,123,453	7,123,453	8,649,012	10,377,344	12,183,077	13,752,288	1,777,451	7,092,898	11,240,430	15,127,517
Yr-to-yr Gr.	596%	536%	402%	402%	24%	46%	71%	94%	80%	299%	58%	35%
Diluted shares	7,001,231	7,123,453	7,123,453	7,123,453	8,649,012	10,377,344	12,183,077	13,752,288	1,777,451	7,092,898	11,240,430	15,127,517
All in EPS	($0.10)	($0.06)	($0.09)	($0.08)	($0.16)	$0.02	($0.04)	($0.03)				
All in shares	11,574,574	11,771,796	11,771,796	11,771,796	13,447,355	15,170,687	23,122,067	31,073,447	1,777,451	11,722,491	20,703,389	31,073,447
Yr-to-yr Gr.					14%	29%	96%	164%		560%	77%	165%
Adjusted EBITDA	(1,329,066)	(895,659)	(1,222,848)	(1,127,364)	(2,432,699)	(1,760,085)	(1,022,348)	(1,191,211)	(3,336,254)	(1,833,742)	(6,406,343)	(4,779,353)

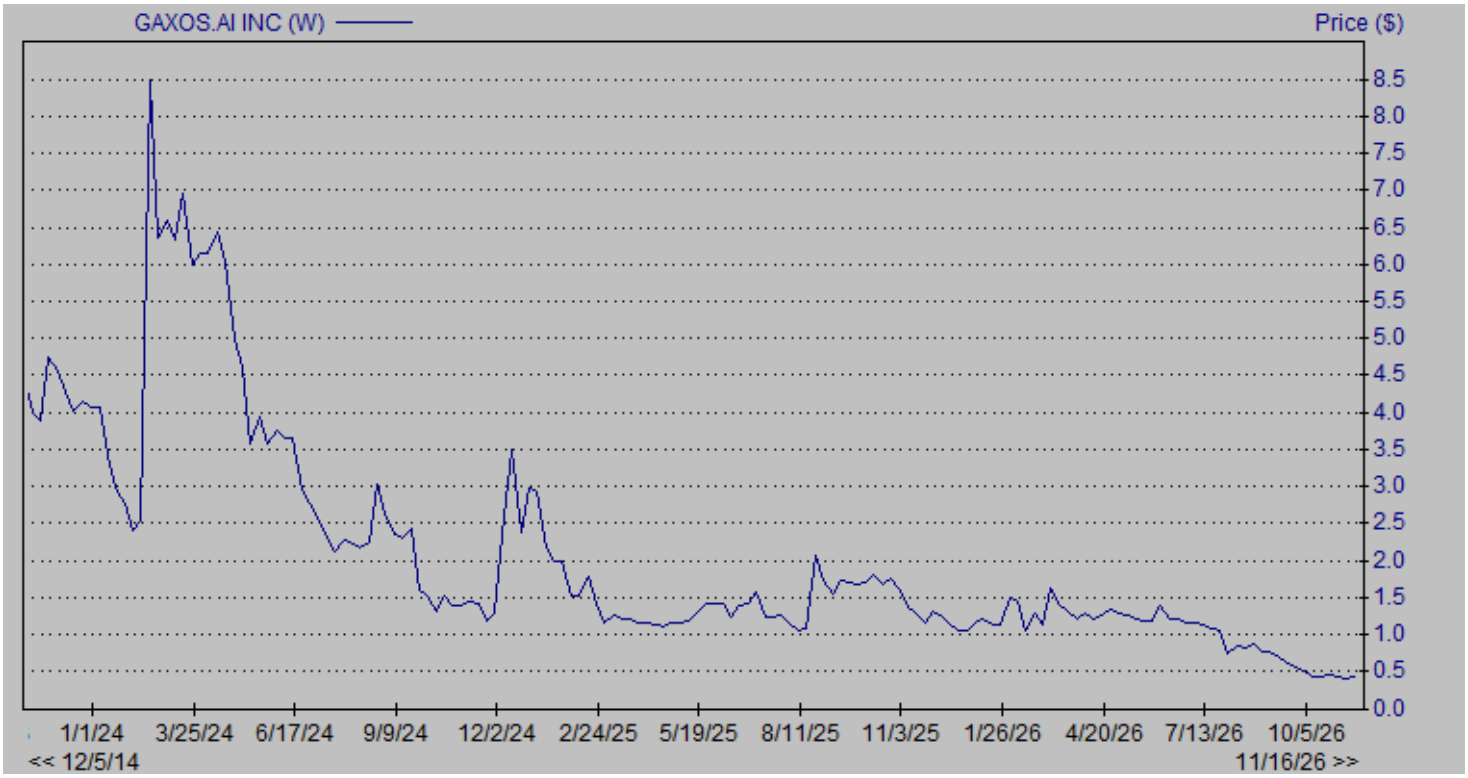
BALANCE SHEET

	Sept 30, 2026	June 30, 2026	Qtr-Qtr % Change	Sept 30, 2025	Yr-Yr % Change
CURRENT ASSETS					
Cash	**$1,895,334**	**$1,089,449**	74.0%	**$914,183**	107.3%
Short-term investments at fair value	**11,402,526**	**10,353,040**	10.1%	**12,058,377**	-5.4%
Investment in equity securities at fair value	25,000	60,000	-58.3%	199,998	-87.5%
Accounts receivable	109,892	118,064	-6.9%	44,873	144.9%
Prepaid expenses and other	542,654	274,057	98.0%	193,283	180.8%
Total current assets	13,975,406	11,894,610	17.5%	13,420,714	4.1%
Property and equipment, net	56,574	65,707	-13.9%	102,040	-44.6%
Intangible assets, net	583,633	628,533	-7.1%	763,233	-23.5%
Investment in cost method investees	4,875,000	4,875,000	0.0%	37	13175575.7%
Long-term assets	5,515,207	5,569,240	-1.0%	865,310	537.4%
TOTAL ASSETS	19,490,613	17,463,850	11.6%	14,286,024	36.4%
CURRENT LIABILITIES					
Accounts payable	387,005	326,010	18.7%	213,509	81.3%
Accrued expenses	470,071	437,020	7.6%	211,405	122.4%
Deferred revenue	424,370	362,532	17.1%	26,957	1474.2%
Total current liabilities	1,281,446	1,125,562	13.8%	451,871	183.6%
Total liabilities	1,281,446	1,125,562	13.8%	451,871	183.6%
SHAREHOLDERS' EQUITY					
Common stock	1,375	1,074	28.0%	712	93.1%
Additional paid-in capital	35,431,547	32,219,500	10.0%	25,761,301	37.5%
Accumulated other comprehensive income	(662,218)	(297,753)	122.4%	75,454	-977.6%
Accumulated deficit	(15,561,412)	(14,631,773)	6.4%	(11,742,383)	32.5%
Gaxos.AI shareholder's equity	19,209,292	17,291,048	11.1%	14,095,084	36.3%
Non-controlling interest	(1,000,125)	(952,760)	5.0%	(260,931)	283.3%
Total stockholders' equity	18,209,167	16,338,288	11.5%	13,834,153	31.6%
TOTAL LIABILITIES AND EQUITY	$19,490,613	$17,463,850	11.6%	$14,286,024	36.4%
Current Ratio	10.9	10.6	3.2%	29.7	-63.3%
Working Capital	12,693,960	10,769,048	17.9%	12,968,843	-2.1%
Debt	$0	$0	0.0%	$0	0.0%
Cash plus short-term investments	$13,297,860	$11,442,489	16.2%	$12,972,560	2.5%
Cash plus short-term investments per share	$1.09	$0.94	16.2%	$1.82	-40.1%

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 $	3-Mo 6/30/26 US $	3-Mo 9/30/26 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)	$ (22,233)	$ (977,004)
Income and non-cash expense items:									
Amortization expense	52,442	29,749	56,562	58,390	59,997	204,698	60,557	59,469	54,033
Stock-based compensation	119,443	32,880	30,473	33,517	40,021	136,891	53,866	45,201	38,041
Realized gain on short-term investments	(121,765)	(11,445)	(2,605)	(10,429)	(5,568)	(30,047)	(10,711)	(24,879)	2,111
Unrealized gain on short-term investments	0	0	(8,615)	(7,419)	(5,911)	(21,945)	21,945	0	0
Unrealized loss on equity securities	0	0	0	0	0	0	74,000	46,000	35,000
Accretion of bond discounts	0	0	0	0	0	0	0	52,904	(4,333)
Gain on sale of gaming asset	0	0	0	0	0	0	0	(1,749,890)	0
Realized loss on exchange of equity securities	0	0	0	0	29,998	29,998	0	0	0
Non-cash transaction fees	764	0	0	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)	(37,566)	8,172
Prepaid expenses and other	(38,477)	(210,977)	31,692	49,611	35,734	(93,940)	(103,465)	(13,006)	(268,597)
Accounts payable	122,909	(17,118)	(70,956)	(37,208)	56,596	(68,686)	(42,062)	97,967	60,995
Accrued expenses	7,436	117,481	75,096	(42,762)	69,025	218,840	(181,472)	338,062	33,051
Deferred revenue	1,126	(1,122)	562	26,391	103,097	128,928	112,253	120,225	61,838
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)**	**(1,087,746)**	**(956,693)**
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)	(2,044,939)	(2,907,234)
Purchase of equity securities	(199,998)	0	0	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	1,920,020	1,495,505
Cash paid for investment in cost method investee	0	0	0	0	0	0	(2,900,000)	(215,000)	0
Increase in note receivable	0	0	0	(10,000)	0	(10,000)	0	0	0
Increase in capitalized internal software development	(45,210)	(22,800)	(22,100)	(21,700)	(16,450)	(83,050)	(2,650)	0	0
Purchase of intangible asset	(150,000)	(500,000)	0	0	0	(500,000)	0	0	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)	(339,919)	(1,411,729)
CASH FLOWS - FINANCING ACTIVITIES									
Proceeds from issuance of stock/units	8,208,771	0	0	0	0	0	5,315,909	1,003,564	0
Proceeds from exercise of pre-funded warrants	521	0	0	0	0	0	0	0	0
Proceeds from sale of pre-funded warrants	2,897,924	0	0	0	0	0	0	0	0
Proceeds from exercise of warrants	2,663,594	0	0	0	0	0	0	0	3,174,307
Proceeds from induced exercise of warrants	2,834,843	0	0	0	0	0	0	0	0
Purchase and cancellation of treasury securities	(19,602)	0	0	0	0	0	0	0	0
Net cash used in financing activities	16,586,051	0	0	0	0	0	5,315,909	1,003,564	3,174,307
INCREASE (DECREASE) IN CASH	13,373,389	(11,826,759)	(852,938)	(804,782)	(73,383)	(13,557,300)	672,751	(424,101)	805,885
CASH - BEGINNING OF PERIOD	1,024,710	14,398,099	2,571,340	1,718,964	914,182	14,398,099	840,799	1,513,550	1,089,449
CASH - END OF PERIOD	14,398,099	2,571,340	1,718,964	914,182	840,799	840,799	1,513,550	1,089,449	1,895,334
Operating Cash Flow	(3,373,399)	$ (1,180,878)	$ (748,757)	$ (1,066,815)	$ (966,202)	(3,962,652)	$ (2,274,589)	$ (1,593,428)	$ (852,152)
Free cash flow	$ (3,418,609)	$ (1,203,678)	$ (770,857)	$ (1,088,515)	$ (982,652)	$ (4,045,702)	$ (2,277,239)	$ (1,593,428)	$ (852,152)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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