

Action Summary – 19 December 2025 Analyst Theodore R. O'Neill F4Q25 results

F4Q25 results. The company reported F4Q25 and full year results on Dec. 17. For F4Q25, it reported revenue and an EPS loss of \$342K and \$0.12, respectively. We had been looking for revenue and an EPS loss of \$400K and \$0.09. The \$0.03 unfavorable EPS variance was primarily due to higher Sales and marketing expenses. The reported revenue was in line with that of each of the last two quarters.

Self-reinforcing monetization/subscription model. The company has over 94,000 subscribers to its Media and Tool platforms and as it adds additional content and tools, it creates a compelling value proposition to convert users into paying subscribers and to upsell existing subscribers. The metrics to support this are being put in place with the decline in paying subscribers seen in 2025 largely confined to the first nine months as the company began transitioning its marketing campaigns. We believe that ATHR offers significantly more relevant financial information in one place and that the landscape for accepted financial and many other types of media is shifting towards ATHR's model.

Multiple paths to growth. The company has diversified revenue streams including subscriptions, SaaS, licensing, data/API sales ads and sponsorships. Expansion is underway with both new products and new markets, following several media acquisitions made in the last few months.

Revising earnings estimates. For 2026, we are trimming our revenue and EPS targets to \$5.0MM and a loss of \$0.27, respectively from \$8MM and a loss of \$0.21, respectively. We are slowing the ramp in revenue growth and making some minor adjustments to operating expenses.

Attractive valuation. Our 12-month price target of \$10.00 is based on a discounted earnings model. If we compare ATHR to the simple average of its peers, the shares sell at a discount on sales measures ranging from 32% to 48%. Were the shares to trade simply to the average of their peers (and we would argue that due to its growth potential, it should trade above average), it would come very close to our price target.

12/18 Closing price: \$5.87	Market cap: \$72 million	2026 Market cap/sales: 3.88x	2026 EV/Sales: 3.65x
Shares outstanding: 12.2 million	Insider ownership: ~66%	Avg. trading volume: >20,000	Dividend/Yield: NA/NA

GAAP estimates (EPS in dollars – Revenue in \$000)

Period	EPS	Revenue	Gross Profit Margin
2024A	<u>(\$0.08)</u>	<u>\$1,440</u>	<u>69.1%</u>
1Q25A	(\$0.03)	\$355	
2Q25A	(\$0.04)	\$342	
3Q25A	(\$0.08)	\$342	
4Q25A	<u>(\$0.12)</u>	<u>\$342</u>	
FY25A	<u>(\$0.29)</u>	<u>\$1,381</u>	<u>70.8%</u>
1Q26E	(\$0.11)	\$500	
2Q26E	(\$0.08)	\$1,000	
3Q26E	(\$0.06)	\$1,500	
4Q26E	<u>(\$0.03)</u>	<u>\$2,000</u>	
FY26E	<u>(\$0.27)</u>	<u>\$5,000</u>	<u>68.0%</u>

Note: Numbers may not add due to rounding or changing share count. See our full model at the back of this report.

Cash balance (\$000)

• 2023A	• \$98
• 2024A	• \$558
• 2025A	• \$4,418
• 2026E	• \$1,854

Long term debt (\$000)

• 2023A	• \$0
• 2024A	• \$0
• 2025A	• \$0
• 2026E	• \$0

Risks/Valuation

- Risks include competition, history of losses, and business execution.
- Our \$10.00 target is derived using a discounted future earnings model.

Company description: Aether Holdings, Inc. is an emerging financial technology holding company dedicated to transforming the way investors navigate the markets. Leveraging decades of market expertise and cutting-edge technology, Aether delivers proprietary tools, data, and research to empower investors with actionable insights and enhance decision-making capabilities. Through AI-driven solutions like *SentimenTrader*, Aether revolutionizes market analysis by transforming complex data into clear, actionable intelligence. By uncovering opportunities that traditional methods often miss, Aether empowers investors to make confident, data-backed decisions in a rapidly evolving financial landscape.

Figure 1 – Aether Holdings, Inc. - Trading snapshot since inception April 10, 2025



Source: FactSet

Quarterly Results

F4Q25 results. The company reported F4Q25 and full year results on Dec. 17. For F4Q25, it reported revenue and an EPS loss of \$342K and \$0.12, respectively. We had been looking for revenue and an EPS loss of \$400K and \$0.09 (see Figure 2). The \$0.03 unfavorable EPS variance was primarily due to higher Sales and marketing expense, which is largely for advertising and marketing consultants. The reported revenue was in line with that of each of the last two quarters.

Figure 2 – Aether Holdings, Inc. – Quarterly Variance Analysis

	FY25 Q4E	FY25 Q4A	Favorable / (Unfavorable) Variance
Total Revenue	\$400	\$342	(\$58)
Total cost of products sold	128	83	45
Total Gross Profit	272	259	(13)
Gross profit margin	68%	76%	
Sales and marketing	90	332	(242)
General and administrative	\$1,300	\$1,366	(66)
R&D	0	53	(53)
Total Expenses	1,390	1,750	(360)
Earnings (loss) from Operations	(1,118)	(1,492)	(374)
Total Other income/(expense)	0	68	68
Earnings before taxes	(1,118)	(1,423)	(305)
Tax expense/(benefit)	0	0	0
Net income	(\$1,118)	(\$1,423)	(\$305)
EPS	(\$0.09)	(\$0.12)	(\$0.03)

Source: Litchfield Hills Research LLC

Valuation Methodology

We believe ATHR is undervalued, and we support that belief with a series of valuation techniques. To determine our price target, we use a discounted future earnings model, and we validate that result with a comparison to peers, i.e.:

- 1) The discounted value of all future earnings was used for our price target (see Figure 3)
- 2) Valuation relative to peers (see Figure 4)

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of \$10.00 is based on a discounted earnings model. For valuation purposes, we sum up all future earnings discounted at 10%. We assume rapid EPS near-term growth for earnings which steps down to GDP after 5-7 years. Our valuation model is shown in Figure 3 below. Note, this model understates future new products and growth through acquisitions and probably understates the tax benefits, but offsetting that, the earnings never have a down year. The implied share price is \$9.53, which we round to \$10.00. Although this target is above where the stock is currently, were it to trade at our price target, its Market Cap/Sales would only be slightly above average.

Figure 3 – Aether Holdings, Inc. – Price Target Calculation

Discounted earnings			\$9.53
Year 0 is	Forecast Net	Discounted	
2026	Income	Net Income	
0	(\$0.27)	(\$0.27)	
1	\$0.19	\$0.17	
2	\$0.30	\$0.25	
3	\$0.38	\$0.29	
4	\$0.50	\$0.34	
Terminal			
Value			\$8.76

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

If we compare ATHR to the simple average of its peers, the shares sell at a discount on sales measures ranging from 32% to 48% (see Figure 4). Were the shares to trade simply to the average of its peers, (and we would argue that due to its growth potential, it should trade above average), it would come close to our price target. Details on each of the peers can be found in Figure 5. The companies we used in Figure 5 are in similar lines of business although none of them are a perfect match.

Figure 4 – Aether Holdings, Inc. – Discount to Peers

	2026 Market Cap / Sales	2026 EV / Sales
Average	5.71	7.07
ATHR (based on 2026 revenue)	3.88	3.65
Discount to peers	32%	48%

Source: Litchfield Hills Research LLC and FactSet

Guidance and Financial Forecasts

The company provides no guidance. Our forecast assumes that the company reaches sustainable B/E in 2Q27 and can do so at approximately ~\$3-4MM/quarter of revenue. This forecast assumes



Aether Holdings, Inc.

NASDAQ: ATHR - Buy-US \$10.00 PT

robust growth over the next 18 months and that its main expense, G&A, is no more than 57% of revenue at that time. We do not see a near-term need for additional capital to fund operations.

Figure 5 – Aether Holdings, Inc. – Comp Table

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2026 Consensus Multiples		
					Market Cap / Sales	EV /Sales	PE
BLK-US	Blackrock Inc	\$1,065.00	165,236	187,314	6.19	6.67	19.79
SPGI-US	S&P Global Inc.	\$510.59	154,607	170,350	9.35	10.31	25.54
LSEG-GB	London Stock Exchange Group PLC (GB Li	\$117.57	60,083	74,347	4.69	5.77	19.41
MSCI-US	MSCI Inc.	\$560.97	42,151	48,206	12.37	14.14	29.04
FDS-US	FactSet Research Systems Inc	\$296.13	11,081	12,564	4.19	4.79	15.75
MORN-US	Morningstar Inc	\$213.89	8,797	9,576	3.29	3.59	19.35
FRGE-US	Forge Global Holdings, Inc.	\$44.52	616	549	4.72	4.20	
MKTW-US	MarketWise, Inc.	\$15.99	39	NMF	0.91		
BLBX-US	Blackboxstocks Inc.	\$7.56	33	30			
CRMZ-US	CreditRiskMonitor.com, Inc.	\$2.66	29	16			
AVERAGE					<u>5.71</u>	<u>7.07</u>	<u>21.48</u>
ATHR-US	Aether Holdings Inc.	\$6.00	73	68	3.88	3.65	NA
ARHR Premium/(discount) to peers:					-32%	-48%	NA

Source: FactSet and Litchfield Hills Research LLC

Figure 6 – Aether Holdings, Inc. – Income Statement (\$ 000)

September ending year	2024A Year	2025A				2025A Year	2026E				2026E Year
		Q1A	Q2A	Q3A	Q4A		Q1E	Q2E	Q3E	Q4E	
Total revenue	\$1,440	\$355	\$342	\$342	\$342	\$1,381	\$500	\$1,000	\$1,500	\$2,000	\$5,000
<i>Growth</i>		-3%	-6%	-3%	-4%	-4%	41%	192%	338%	485%	262%
Cost of Goods	445	108	110	103	83	403	160	320	480	640	1,600
Gross Profit	995	247	232	239	259	977	340	680	1,020	1,360	3,400
Gross Margin	69.1%	69.7%	67.9%	69.9%	75.7%	70.8%	68.0%	68.0%	68.0%	68.0%	68.0%
Sales and marketing	130	22	57	143	332	553	300	250	250	225	1,025
General and administrative	\$1,654	\$547	\$561	\$1,150	\$1,366	\$3,624	\$1,400	\$1,400	\$1,500	\$1,550	\$5,850
R&D	\$150	\$0	\$0	\$0	\$53	\$53	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	1,934	569	617	1,293	1,750	4,230	1,700	1,650	1,750	1,775	6,875
Operating Income	(939)	(322)	(385)	(1,054)	(1,492)	(3,252)	(1,360)	(970)	(730)	(415)	(3,475)
Operating Margin	-65.2%	-90.9%	-112.6%	-307.7%	-436.3%	-235.5%	-272.0%	-97.0%	-48.7%	-20.8%	-69.5%
Total Other Items	0	0	0	48	68	116	0	0	0	0	0
Pre-Tax Income	(939)	(322)	(385)	(1,006)	(1,423)	(3,136)	(1,360)	(970)	(730)	(415)	(3,475)
Pre-Tax Margin	-65.2%	-90.9%	-112.6%	-293.7%	-416.2%	-227.1%	-272.0%	-97.0%	-48.7%	-20.8%	-69.5%
Taxes (benefit)	0	0	5	0	0	5	0	0	0	0	0
Tax Rate	0.0%	0.0%	-1.4%	0.0%	0.0%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income (loss)	(939)	(322)	(390)	(1,006)	(1,423)	(3,141)	(1,360)	(970)	(730)	(415)	(3,475)
Net Margin	-65.2%	-90.9%	-114.1%	-293.7%	-416.2%	-227.5%	-272.0%	-97.0%	-48.7%	-20.8%	-69.5%
EPS	(\$0.08)	(\$0.03)	(\$0.04)	(\$0.08)	(\$0.12)	(\$0.29)	(\$0.11)	(\$0.08)	(\$0.06)	(\$0.03)	(\$0.27)
Diluted share count	11,400	10,031	10,031	11,874	12,100	11,009	12,600	12,650	12,700	12,750	12,675

Source: Company reports and Litchfield Hills Research LLC

Figure 7 – Aether Holdings, Inc. – Balance Sheet (\$ 000)

September ending year	2026E	2025A	2024A	2023A
Balance sheet				
Current Assets				
Cash and S.T.I.	\$1,854	\$4,418	\$558	\$98
Accounts receivable	200	0	0	0
Inventories	100	365	19	13
Other assets	<u>300</u>	<u>0</u>	<u>139</u>	<u>0</u>
Total Current Assets	2,454	4,783	716	111
Net PP&E	3	4	3	5
Other non-current assets	<u>0</u>	<u>249</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$2,457</u>	<u>\$5,036</u>	<u>\$719</u>	<u>\$116</u>
Current Liabilities				
Accounts payable and accrued	\$400	\$123	\$31	\$140
Tax payable	20	37	192	27
Other current liabilities	<u>700</u>	<u>359</u>	<u>380</u>	<u>622</u>
Total current liabilities	1,120	519	603	789
Note payable	0	0	0	0
Other non-current	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	1,120	519	603	789
Stockholders' Equity				
Preferred stock				
Total stockholders' equity	1,337	4,517	116	(673)
Total Liabilities and equity	<u>\$2,457</u>	<u>\$5,036</u>	<u>\$719</u>	<u>\$116</u>

Source: Company reports and Litchfield Hills Research LLC

Figure 8 – Aether Holdings, Inc. – Cash Flow (\$ 000)

	2026E	2025A	2024A
Net Income	(\$3,475)	(\$3,141)	(\$939)
Accounts receivable	(200)	0	0
Inventories	265	(346)	(7)
Other assets	(300)	139	(139)
PP&E	1	(1)	2
Other non-current	249	(249)	0
Accounts payable and accrued	277	92	(109)
Tax payable	20	0	0
Due related party	(37)	(155)	165
Other current liabilities	341	(21)	(242)
Note payable	0	0	0
Other non-current	0	0	0
Common stock	(2)	2	0
Additional paid in capital	297	7,540	1,728
Non-control. Interest and Treasury stock	0	0	0
Dividend and tax adj.			
Total Cash Flow	(\$2,564)	\$3,860	\$460

Source: Litchfield Hills Research LLC

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NASDAQ: ATHR - Buy-US
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