

Action Summary – 5 December 2025

Analyst Theodore R. O'Neill – Market continues to grow for KULR – *Reiterate Buy and \$8 PT.*

- **The U.S. military demand for batteries in both weapons and weapon delivery systems favors KULR.** On November 24, the company announced that it is developing a next-generation 400V battery system to support a Counter-UAS Directed Energy System, delivering a complete design package and prototype build within five weeks after receipt of the purchase order. The system is planned to enter production in 2026. This means that KULR battery systems are now going to be powering both the drones themselves as well as the systems designed to either knock them out or render them ineffective. By our estimate, this could double the size of the available market for its batteries in U.S. military applications to \$0.5 billion.
- **A protected moat.** Military applications are going to drive battery standards that cannot be met by any off-the-shelf battery maker.
- **Estimate revision.** We are raising our 2025 revenue estimates to \$17.3MM from \$13.4MM on better-than-expected revenue reported in 3Q25. 2025 EPS improves by \$0.02 to a loss of \$0.65. For 2026, our estimates are unchanged.
- **Despite our upbeat outlook, we are lowering our price target.** While our estimates improved by \$0.02, we have trimmed future earnings expectations due to the lower gross profit profile we are currently seeing. If that were to change, and it is our expectation, we would look to raise our target, all things being equal. Our discounted future earnings valuation per share is now \$8, down from \$10.
- **We consider the shares undervalued.** Based on our discounted earnings model, we believe the shares should trade at \$8. The shares are currently selling at a discount to peers. If KULR shares were to reach our price target, its market cap/sales ratio would be just under the average of 10.7x.

12/4 Closing price: \$3.95	Market cap: \$219 million	2026 P/E: NMF	2026 EV / Sales: 3.98x
Shares outstanding: 45 million	Insider ownership: 7%	3-month avg. trading volume: >1,000,000	Dividend/Yield: NA/NA

GAAP estimates (EPS in USD – Revenue in USD thousands)

Period	EPS	Revenue	GP Margin
FY23A	<u>\$(1.61)</u>	<u>\$9,830</u>	<u>37%</u>
FY24A	<u>\$(0.75)</u>	<u>\$10,737</u>	<u>51%</u>
FY25E	<u>\$(0.65)</u>	<u>\$17,306</u>	<u>12%</u>
FY26E	<u>\$(0.55)</u>	<u>\$35,500</u>	<u>50%</u>

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

Cash balance (in USD thousands)

• 2023A	• \$1,195
• 2024A	• \$29,832
• 2025E	• \$10,672
• 2026E	• \$4,922

Debt (in USD thousands)

• 2023A	• \$250
• 2024A	• \$11
• 2025E	• \$0
• 2026E	• \$0

Risks/Valuation

- Risks include highly competitive business, changes in customer demand, and commercialization of technology.
- Our \$8 target is derived using a discounted future earnings model.

Company description: KULR Technology Group, Inc. (NYSE American: KULR) is a Bitcoin+ Treasury company that builds a portfolio of frontier technology businesses ranging from high-performance energy systems to AI Robotics. KULR delivers cutting-edge energy storage solutions for space, aerospace, and defense by leveraging a foundation of in-house battery design expertise, a comprehensive cell and battery testing suite, and battery fabrication and production capabilities. The Company's offering allows delivery of commercial-off-the-shelf and custom next-generation energy storage systems in rapid timelines for a fraction of the cost compared to traditional programs.

Figure 1 – KULR Technology Group, Inc. – One-Year Trading snapshot



Source: FactSet

Valuation Methodology

We believe KULR is undervalued, and we support that belief with two valuation techniques: one absolute and one relative. We used the following valuation techniques:

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

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of \$8 is based on a discounted earnings model. For valuation purposes, we sum up all future earnings, discounted at 8%. We make two main assumptions:

- Near-term rapid growth in earnings, which steps down to GDP rates after 5 years.
- The company will reach breakeven sometime in 1H27.

Our valuation model is shown in Figure 2 below. Note that this model may understate future new products and growth through acquisitions and possibly understates the tax benefits. However, as a counterbalance, our projections do not foresee earnings having a down year. The implied share price is \$8.44, which we round to \$8.

Figure 2 - KULR Technology Group, Inc. - Discounted Future Earnings

Discounted Earnings		\$ 8.44
	Year 1 is 2026	Forecast EPS
	1	(0.55)
	2	(0.05)
	3	0.05
	4	0.12
	5	0.25
	Terminal Value	
		\$8.74

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

In Figure 3, we provide a summary of metrics for KULR's peers. When comparing KULR to the simple average of its peers, the shares, on average, trade just slightly below par. We believe KULR shares should command a premium over its peers because of its product/customer profile that combines diversity and growth. If KULR shares were to reach our price target, its market cap/sales ratio would be just under the average of 10.7x. Details on each of the peers are in Figure 4.

Figure 3 – KULR Technology Group, Inc. – Valuation Relative to Peers

	2026 EV / Sales	2026 Mkt Cap/Sales
Average	10.71	12.75
KULR	3.98	4.46
Premium/(Discount) to peers	(63%)	(65%)

Source: Litchfield Hills Research LLC and Refinitiv Eikon (Formerly Thomson Reuters Eikon)

Guidance and Financial Forecasts

The company is providing guidance for revenue to double in 2025. The company owns a meaningful number of crypto coins that have to be marked to market each reporting period. We have made no assumptions about how that will impact our model. It is booked in Other income/expense.

Figure 4 – KULR Technology Group, Inc. – Comp Table

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2026 Consensus Multiples	
					EV /Sales	Market Cap / Sales
TSLA-US	Tesla Inc	\$446.74	1,485,776	1,556,108	14.29	13.72
RKLB-US	Rocket Lab Corporation	\$44.72	23,887	25,021	28.25	29.07
RIVN-US	Rivian Automotive, Inc.	\$17.53	21,422	19,393	2.78	3.10
AVAV-US	AeroVironment Inc.	\$271.78	13,571	13,662	5.83	6.14
QS-US	QuantumScape Corporation	\$12.41	6,979	6,623	NMF	NMF
ONDS-US	Ondas Holdings, Inc.	\$8.92	3,287	1,921	16.23	27.92
BBAI-US	BigBear.ai Holdings, Inc.	\$6.10	2,663	2,585	15.68	18.09
ATRO-US	Astronics Corp. (US Listing)	\$51.72	1,852	2,188	2.30	1.93
ENVX-US	Enovix Corporation (US Listing)	\$8.34	1,800	1,804	28.75	30.27
MVST-US	Microvast Holdings, Inc.	\$3.52	1,155	1,461	2.77	2.25
RCAT-US	Red Cat Holdings Inc	\$7.55	901	635	4.51	6.97
BYRN-US	Byrna Technologies Inc.	\$18.31	416	449	3.17	3.03
UMAC-US	Unusual Machines Inc.	\$10.31	380	264	10.49	16.50
ASPN-US	Aspen Aerogels Inc.	\$3.48	288	298	1.26	1.27
TAKOF-US	Volatus Aerospace Inc.	\$0.42	259	228	5.52	6.55
PDYN-US	Palladyne AI Corp	\$5.82	245	202	13.08	16.75
NVX-AU	NOVONIX Ltd (AU Listing)	\$0.29	241	228		
DPRO-US	Draganfly Inc (US Listing)	\$7.65	176	117	7.63	12.38
ZENA-US	ZenaTech, Inc.	\$3.30	109	173	7.48	4.95
ATOM-US	Atomera Incorporated	\$2.46	78	59	NMF	NMF
UAVS-US	AgEagle Aerial Systems, Inc.	\$1.29	52	29		
XTIA-US	XTI Aerospace, Inc.	\$1.50	49	5		
IPWR-US	Ideal Power Inc.	\$3.34	28	23	22.69	28.51
RKT-AU	RocketDNA Ltd	\$0.01	13	10		
AVERAGE					<u>10.71</u>	<u>12.75</u>
KULR-US	KULR Technology Group Inc	\$3.47	158	141	3.98	4.46
KULR-US Premium/(Discount) to peers:					-63%	-65%

Source: Litchfield Hills Research LLC and FactSet

Figure 5 – KULR Technology Group, Inc. – Income Statement (\$000)

December year-end	2022A YEAR	2023A YEAR	2024A				2024A YEAR	2025E YEAR	2026E YEAR
			Q1A	Q2A	Q3A	Q4A			
Total revenue	\$3,995	\$9,830	\$1,749	\$2,432	\$3,186	\$3,371	\$10,737	\$17,306	\$35,500
<i>Growth</i>	66%	146%	-1%	-10%	5%	44%	9%	61%	105%
Cost of Goods	1,631	6,164	1,238	1,859	928	1,228	5,254	15,258	17,750
Gross Profit	2,364	3,666	511	573	2,257	2,142	5,483	2,049	17,750
Gross Margin	59.2%	37.3%	29.2%	23.5%	70.9%	63.6%	51.1%	11.8%	50.0%
Operating Expenses									
R&D	\$3,978	\$6,195	\$955	\$1,305	\$1,232	\$1,246	\$4,738	\$9,610	\$9,600
% of total revenue	100%	63%	55%	54%	39%	37%	44%	56%	27%
Selling, G&A	\$16,673	\$19,882	\$4,213	\$4,595	\$2,735	\$4,437	\$15,980	\$26,606	\$33,500
% of total revenue	417%	202%	241%	189%	86%	132%	149%	154%	94%
Total Operating Expenses	20,650	26,078	5,168	5,900	3,968	5,683	20,718	36,215	43,100
Operating Income	(18,286)	(22,412)	(4,657)	(5,327)	(1,710)	(3,541)	(15,235)	(34,166)	(25,350)
Operating Margin	-457.8%	-228.0%	-266.2%	-219.0%	-53.7%	-105.1%	-141.9%	-197.4%	-71.4%
Total Other Items	(1,150)	(1,282)	(352)	(563)	(293)	(1,080)	(2,289)	8,328	(400)
Pre-Tax Income	(19,436)	(23,694)	(5,009)	(5,891)	(2,004)	(4,620)	(17,524)	(25,838)	(25,750)
Pre-Tax Margin	-486.6%	-241.0%	-286.4%	-242.2%	-62.9%	-137.1%	-163.2%	-149.3%	-72.5%
Taxes (benefit)	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%
Net income	(\$19,436)	(\$23,694)	(\$5,009)	(\$5,891)	(\$2,004)	(\$4,620)	(\$17,524)	(\$25,838)	(\$25,750)
EPS	(1.47)	(1.61)	(0.28)	(0.26)	(0.08)	(0.19)	(0.75)	(0.65)	(0.55)
Diluted Shares Outstanding	13,207	14,728	17,795	22,683	24,312	24,375	23,325	39,662	46,500

Source: Company reports and Litchfield Hills Research LLC

Figure 6 – KULR Technology Group, Inc. – Balance Sheet (\$'000)

December year-end	FY2026E	FY2025E	FY2024A	FY2023A	FY2022A
Balance sheet					
Current Assets					
Cash and S.T.I.	\$4,922	\$10,672	\$29,832	\$1,195	\$10,334
Accounts receivable	5,000	4,000	2,645	902	1,542
Inventories	2,000	1,000	545	1,149	1,962
Other assets	<u>6,000</u>	<u>6,000</u>	<u>1,142</u>	<u>659</u>	<u>1,898</u>
Total Current Assets	17,922	21,672	34,164	3,904	15,736
Net PP&E	4,500	3,500	3,677	4,698	3,193
Goodwill & Intangible	500	500	577	719	721
Other non-current assets	<u>95,000</u>	<u>107,000</u>	<u>24,509</u>	<u>1,542</u>	<u>3,976</u>
Total Assets	<u>\$117,922</u>	<u>\$132,672</u>	<u>\$62,927</u>	<u>\$10,864</u>	<u>\$23,626</u>
Current Liabilities					
Accounts payable	\$7,000	\$5,000	\$2,061	\$2,770	\$1,408
Accrued exp. & other	\$4,000	\$3,000	\$1,559	\$3,476	\$2,370
Deferred revenue	\$0	\$0	\$0	\$0	\$23
Other current liabilities	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,045</u>	<u>\$653</u>	<u>\$5,879</u>
Total current liabilities	<u>12,000</u>	<u>9,000</u>	<u>4,666</u>	<u>6,899</u>	<u>9,681</u>
Notes payable	0	0	11	250	0
Other Liabilities	<u>1,000</u>	<u>1,000</u>	<u>823</u>	<u>5,898</u>	<u>3,452</u>
Total Liabilities	13,000	10,000	5,499	13,047	13,132
Stockholders' Equity					
Preferred stock	0	0	0	0	0
Common stock	26	26	26	13	11
Additional paid-in-capital	240,000	232,000	141,509	64,388	53,373
Retained earnings	(135,400)	(109,650)	(83,811)	(66,288)	(42,594)
Cum. Other comp and treasury stock	<u>296</u>	<u>296</u>	<u>(296)</u>	<u>(296)</u>	<u>(296)</u>
Total stockholders' equity	<u>104,922</u>	<u>122,672</u>	<u>57,428</u>	<u>(2,183)</u>	<u>10,494</u>
Total Liabilities and equity	<u>\$117,922</u>	<u>\$132,672</u>	<u>\$62,927</u>	<u>\$10,864</u>	<u>\$23,626</u>

Source: Company reports and Litchfield Hills Research LLC

Figure 7 – KULR Technology Group, Inc. – Cash Flow (\$000)

	FY26E	FY25E	FY24A	FY23A
Net Income	(\$25,750)	(\$25,838)	(\$17,524)	(\$23,694)
Accounts receivable	(1,000)	(1,355)	(1,744)	640
Inventories	(1,000)	(455)	604	813
Other assets	0	(4,858)	(483)	1,239
PP&E	(1,000)	177	1,022	(1,505)
Goodwill & Intangible	0	77	142	1
Other non-current	12,000	(82,491)	(22,967)	2,434
Accounts payable	2,000	2,939	(708)	1,362
Accrued exp & other - related party	0	0	0	0
Accrued exp. & other	1,000	1,441	(1,917)	1,106
Deferred revenue	0	0	0	(23)
Other current liabilities	0	(45)	392	(5,226)
Notes payable	0	(11)	(239)	250
Other Liabilities	0	177	(5,075)	2,446
Common stock	0	(0)	13	2
Additional paid-in-capital	8,000	90,491	77,121	11,015
Cum. trans. adj. and treasury stock	0	592	0	0
Dividends	0	0	0	0
Total Cash Flow	(5,750)	(19,159)	28,637	(9,139)

Source: Company reports and Litchfield Hills Research LLC

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