

Action Summary – 2 February 2026

Analyst Theodore R. O'Neill – AI data centers have KULR Inside? – *Reiterate Buy and \$8 PT.*

- **We believe KULR is likely to see a significant share of business in the buildout of AI data centers.** AI data centers using GPUs have three main problems to address and the answer is Li-Ion batteries from KULR.
 - First, there is no good substitute for Li-ion batteries. Advanced GPU servers need Li-ion batteries to stabilize the power bus because ultra-capacitors no longer meet the technical requirements.
 - Second, cost and standardization. To reduce the massive cost of data center buildouts, there is intense demand to standardize the components used. Formed in 2011 with members from Intel (INTC-NR), Meta (META-NR) and Nvidia (NVDA-NR) and many others, The Open Compute Project Foundation (OCP) was initiated with a mission to apply the benefits of open source and open collaboration to hardware and rapidly increase the pace of innovation in, near and around the data center's networking equipment, general purpose and GPU servers, storage devices and appliances, and scalable rack designs. Most all major equipment makers that sell into datacenters are represented here, as is KULR, which announced its involvement on Dec 11, 2025, and specific products for it on December 17, 2025.
 - Third and last is safety. Li-ion batteries are fire hazards unless specially designed and certified. KULR battery systems meet the highest standards of certification from NASA and UL.
- **New Estimates.** We are initiating 2027 revenue and EPS estimates of \$58MM and a loss of \$0.29. Our 2025 and 2026 estimates are unchanged.
- **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 6.3x, well under the average of 8.1x.

1/30 Closing price: \$3.56	Market cap: \$164 million	2027 P/E: NMF	2027 EV / Sales: 2.26x
Shares outstanding: 46 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>
FY27E	<u>(\$0.29)</u>	<u>\$58,000</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	• \$11,672
• 2026E	• \$4,922
• 2027E	• \$11,722

Debt (in USD thousands)

• 2023A	• \$250
• 2024A	• \$11
• 2025E	• \$0
• 2026E	• \$0
• 2027E	• \$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, 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. Since late 2024, KULR has included bitcoin as a primary asset in its treasury program and committed to allocating up to 90% of its excess cash to the acquisition of bitcoin.

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 \$8.23, which we round to \$8.

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

Discounted Earnings		\$ 8.23
	Year 1 is Forecast 2026 EPS	Discounted EPS
1	(0.55)	(\$0.55)
2	(0.29)	(\$0.25)
3	0.05	\$0.04
4	0.12	\$0.09
5	0.25	\$0.17
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 6.3x, well under the average of 8.1x. Details on each of the peers are in Figure 4.

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

	2027 EV / Sales	2027 Mkt Cap/Sales
Average	6.80	8.07
KULR	2.26	3.06
Premium / (Discount) to peers	(67%)	(62%)

Source: Litchfield Hills Research LLC and FactSet

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	2027 Consensus Multiples	
					EV /Sales	Market Cap / Sales
TSLA-US	Tesla Inc (US Listing)	\$416.56	1,385,403	1,504,409	12.18	11.70
RKLB-US	Rocket Lab Corporation	\$85.68	45,767	42,113	33.70	34.41
RIVN-US	Rivian Automotive, Inc.	\$15.17	18,538	15,874	1.45	1.65
AVAV-US	AeroVironment Inc.	\$293.22	14,639	14,151	5.28	5.21
QS-US	QuantumScape Corporation	\$9.86	5,542	4,288	NMF	NMF
ONDS-US	Ondas Inc	\$11.27	4,762	2,281	7.28	13.97
ATRO-US	Astronics Corp. (US Listing)	\$76.80	2,736	3,072	2.95	2.62
BBAI-US	BigBear.ai Holdings, Inc.	\$5.52	2,410	1,792	11.08	13.65
RCAT-US	Red Cat Holdings Inc	\$14.93	1,782	1,145	6.33	8.81
ENVX-US	Enovix Corporation (US Listing)	\$7.13	1,539	1,366	5.78	6.10
MVST-US	Microvast Holdings, Inc.	\$2.67	876	1,136		
UMAC-US	Unusual Machines Inc.	\$15.28	563	343	7.37	10.95
BYRN-US	Byrna Technologies Inc.	\$14.22	323	324	1.95	1.88
ASPN-US	Aspen Aerogels Inc.	\$3.61	298	280	0.83	0.84
PDYN-US	Palladyne AI Corp	\$7.00	294	217	6.91	8.73
TAKOF-US	Volatus Aerospace Inc.	\$0.41	262	219	3.87	4.91
NVX-AU	NOVONIX Ltd (AU Listing)	\$0.27	234	217		
DPRO-US	Draganfly Inc (US Listing)	\$8.05	186	100	3.13	5.20
ZENA-US	ZenaTech, Inc.	\$3.85	183	170		
ATOM-US	Atomera Incorporated	\$3.05	97	71		
XTIA-US	XTI Aerospace, Inc.	\$1.76	61	7	0.05	0.47
UAVS-US	AgEagle Aerial Systems, Inc.	\$1.15	50	20		
IPWR-US	Ideal Power Inc.	\$4.89	42	38	5.41	6.10
RKT-AU	RocketDNA Ltd	\$0.02	26	18		
AVERAGE					<u>6.80</u>	<u>8.07</u>
KULR-US	KULR Technology Group Inc	\$3.89	178	131	2.26	3.06
KULR-US Premium/(Discount) to peers:					-67%	-62%

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	2027E 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	\$58,000
<i>Growth</i>	66%	146%	-1%	-10%	5%	44%	9%	61%	105%	63%
Cost of Goods	1,631	6,164	1,238	1,859	928	1,228	5,254	15,258	17,750	29,000
Gross Profit	2,364	3,666	511	573	2,257	2,142	5,483	2,049	17,750	29,000
Gross Margin	59.2%	37.3%	29.2%	23.5%	70.9%	63.6%	51.1%	11.8%	50.0%	50.0%
Operating Expenses										
R&D	\$3,978	\$6,195	\$955	\$1,305	\$1,232	\$1,246	\$4,738	\$9,610	\$9,600	\$8,800
% of total revenue	100%	63%	55%	54%	39%	37%	44%	56%	27%	15%
Selling, G&A	\$16,673	\$19,882	\$4,213	\$4,595	\$2,735	\$4,437	\$15,980	\$26,606	\$33,500	\$34,000
% of total revenue	417%	202%	241%	189%	86%	132%	149%	154%	94%	59%
Total Operating Expenses	20,650	26,078	5,168	5,900	3,968	5,683	20,718	36,215	43,100	42,800
Operating Income	(18,286)	(22,412)	(4,657)	(5,327)	(1,710)	(3,541)	(15,235)	(34,166)	(25,350)	(13,800)
Operating Margin	-457.8%	-228.0%	-266.2%	-219.0%	-53.7%	-105.1%	-141.9%	-197.4%	-71.4%	-23.8%
Total Other Items	(1,150)	(1,282)	(352)	(563)	(293)	(1,080)	(2,289)	8,328	(400)	(400)
Pre-Tax Income	(19,436)	(23,694)	(5,009)	(5,891)	(2,004)	(4,620)	(17,524)	(25,838)	(25,750)	(14,200)
Pre-Tax Margin	-486.6%	-241.0%	-286.4%	-242.2%	-62.9%	-137.1%	-163.2%	-149.3%	-72.5%	-24.5%
Taxes (benefit)	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%
Net income	(\$19,436)	(\$23,694)	(\$5,009)	(\$5,891)	(\$2,004)	(\$4,620)	(\$17,524)	(\$25,838)	(\$25,750)	(\$14,200)
EPS	(1.47)	(1.61)	(0.28)	(0.26)	(0.08)	(0.19)	(0.75)	(0.65)	(0.55)	(0.29)
Diluted Shares Outstanding	13,207	14,728	17,795	22,683	24,312	24,375	23,325	39,662	46,500	48,250

Source: Company reports and Litchfield Hills Research LLC

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

December year-end	FY2027E	FY2026E	FY2025E	FY2024A	FY2023A
Balance sheet					
Current Assets					
Cash and S.T.I.	\$11,722	\$4,922	\$11,672	\$29,832	\$1,195
Accounts receivable	6,000	5,000	3,000	2,645	902
Inventories	2,000	2,000	1,000	545	1,149
Other assets	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>1,142</u>	<u>659</u>
Total Current Assets	25,722	17,922	21,672	34,164	3,904
Net PP&E	4,500	4,500	3,500	3,677	4,698
Goodwill & Intangible	500	500	500	577	719
Other non-current assets	<u>80,000</u>	<u>95,000</u>	<u>107,000</u>	<u>24,509</u>	<u>1,542</u>
Total Assets	<u>\$110,722</u>	<u>\$117,922</u>	<u>\$132,672</u>	<u>\$62,927</u>	<u>\$10,864</u>
Current Liabilities					
Accounts payable	\$8,000	\$7,000	\$5,000	\$2,061	\$2,770
Accrued exp. & other	\$5,000	\$4,000	\$3,000	\$1,559	\$3,476
Deferred revenue	\$0	\$0	\$0	\$0	\$0
Other current liabilities	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,045</u>	<u>\$653</u>
Total current liabilities	<u>14,000</u>	<u>12,000</u>	<u>9,000</u>	<u>4,666</u>	<u>6,899</u>
Notes payable	0	0	0	11	250
Other Liabilities	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>823</u>	<u>5,898</u>
Total Liabilities	15,000	13,000	10,000	5,499	13,047
Stockholders' Equity					
Preferred stock	0	0	0	0	0
Common stock	26	26	26	26	13
Additional paid-in-capital	245,000	240,000	232,000	141,509	64,388
Retained earnings	(149,600)	(135,400)	(109,650)	(83,811)	(66,288)
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>95,722</u>	<u>104,922</u>	<u>122,672</u>	<u>57,428</u>	<u>(2,183)</u>
Total Liabilities and equity	<u>\$110,722</u>	<u>\$117,922</u>	<u>\$132,672</u>	<u>\$62,927</u>	<u>\$10,864</u>

Source: Company reports and Litchfield Hills Research LLC

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

	FY27E	FY26E	FY25E	FY24A
Net Income	(\$14,200)	(\$25,750)	(\$25,838)	(\$17,524)
Accounts receivable	(1,000)	(2,000)	(355)	(1,744)
Inventories	0	(1,000)	(455)	604
Other assets	0	0	(4,858)	(483)
PP&E	0	(1,000)	177	1,022
Goodwill & Intangible	0	0	77	142
Other non-current	15,000	12,000	(82,491)	(22,967)
Accounts payable	1,000	2,000	2,939	(708)
Accrued exp & other - related party	0	0	0	0
Accrued exp. & other	1,000	1,000	1,441	(1,917)
Deferred revenue	0	0	0	0
Other current liabilities	0	0	(45)	392
Notes payable	0	0	(11)	(239)
Other Liabilities	0	0	177	(5,075)
Common stock	0	0	(0)	13
Additional paid-in-capital	5,000	8,000	90,491	77,121
Cum. trans. adj. and treasury stock	0	0	592	0
Dividends	0	0	0	0
Total Cash Flow	6,800	(6,750)	(18,159)	28,637

Source: Company reports and Litchfield Hills Research LLC

Disclosures:

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