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KULR Technology Group, Inc. KULR-Buy-$7 PT.

Action Summary – 8 September 2026

Analyst Theodore R. O'Neill – 2Q26 Marks transition quarter – *Reiterate Buy and $7 PT.*

The second quarter marked a transition for the company driven by management's desire to focus on its battery business, where it has strategic and technologically protected expertise. To that end it has made a **shift away from Bitcoin mining.** It exited its bitcoin mining operation and fully repaid its $20 million credit facility using proceeds from Bitcoin sales. The move simplifies its financial structure and should significantly reduce earnings volatility.

Focus on core battery business. It is prioritizing the "KULR ONE" platform and scaling its battery production capabilities. The company is concentrating resources on high-value customer programs and markets, including space, defense, drones, telecom, and robotics. A new 25,000 square foot Texas facility is expected to become operational in Q3 2026, with automated production lines for cylindrical and power cells.

Operational improvements and cost discipline. KULR is undergoing a company-wide operating review to standardize data, refine workflows, and improve operational visibility. The company is focusing on reallocating resources to programs with the strongest economic and strategic value.

Drone market. The U.S. drone market is expanding rapidly, supported by significant government investments in drone and counter-drone systems. KULR is positioned to benefit from this growth, having secured initial defense battery orders from a U.S. drone maker, with opportunities exceeding $5 million.

Headwinds. Supply chain constraints, including long lead times for new parts, delayed production and shipments in Q2. The company is addressing these issues by multi-sourcing components and increasing raw materials inventory to meet anticipated demand.

Estimate and price target revisions. In light of the changes initiated at the company, we are changing our estimates. For 2026, our new revenue and EPS loss estimates are $10.9MM and $1.42, respectively, from $35.5MM and $0.55, respectively. For 2027, our new revenue and EPS loss estimates are $22.0MM and $0.53, respectively from $58MM and $0.29, respectively. Reflecting the lower earnings outlook, we are reducing our price target to $7 from $8.

We consider the shares undervalued. Based on our discounted earnings model, we believe the shares should trade at $7. The shares are currently selling at a premium to peers, but we believe they will grow into their valuation.

9/4 Closing price: $2.55	**Market cap: $118 million**	**2027 P/E: NMF**	**2027 EV / Sales: 5.81x**
Shares outstanding: 46 million	**Insider ownership: 7%**	**3-month avg. trading volume: >500,000**	**Dividend/Yield: NA/NA**

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

Period	EPS	Revenue	GP Margin
FY23A	($1.61)	$9,830	37%
FY24A	($0.75)	$10,737	51%
FY25A	($1.56)	$16,170	5%
FY26E	($1.42)	$10,927	25%
FY27E	($0.53)	$22,000	50%

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
2025A	$13,300
2026E	$7,530
2027E	$9,750

Debt (in USD thousands)

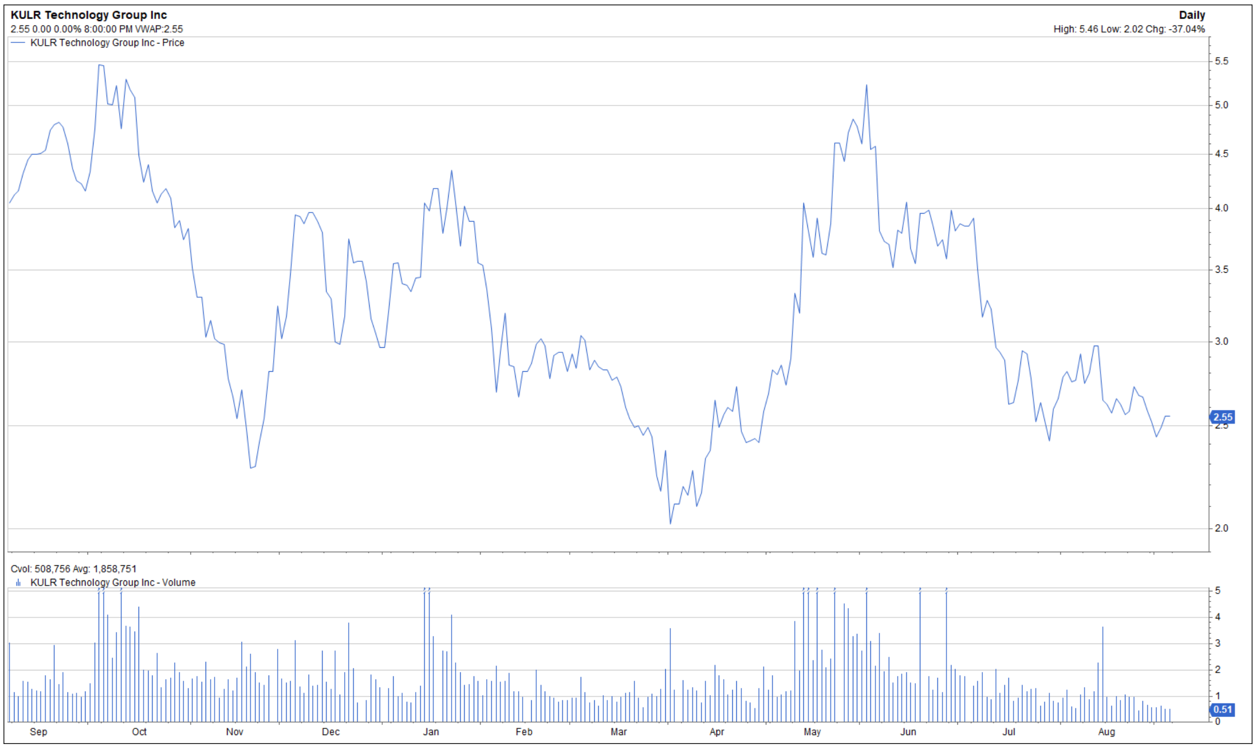
2023A	$250
2024A	$11
2025A	$0
2026E	$0
2027E	$0

Risks/Valuation

- Risks include highly competitive business, changes in customer demand, and commercialization of technology.
- Our $7 target is derived using a discounted future earnings model.

Company description: KULR Technology Group, Inc. (NYSE American: KULR) is an energy-systems platform company that designs and manufactures safe, high-power battery solutions for physical AI and other mission-critical applications. Its KULR ONE® platform integrates advanced battery architecture, thermal management, safety engineering, battery management systems, and power electronics to serve space and defense, drones and electric aviation, AI data-center backup, robotics, and Energy-as-a-Service markets.

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 $7 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 1H28.

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 $7.16, which we round to $7.

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

Discounted Earnings		**$ 7.16**
Year 1 is 2026	Forecast EPS	Discounted EPS
1	(1.42)	($1.42)
2	(0.53)	($0.46)
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 below par. We believe KULR shares should command a premium over its peers because of its product/customer profile that combines diversity and growth. 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	4.84	5.95
KULR	5.81	5.36
Premium / (Discount) to peers	**20%**	**(10%)**

Source: Litchfield Hills Research LLC and FactSet

Guidance and Financial Forecasts

The company did not provide formal 2026 guidance.

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)	$354.08	1,398,456	1,226,164	10.19	11.63
RKLB-US	Rocket Lab Corporation	$64.26	38,457	38,295	NMF	NMF
RIVN-US	Rivian Automotive, Inc.	$15.74	22,728	20,920	1.77	1.93
AVAV-US	AeroVironment Inc.	$144.65	7,351	7,303	2.90	2.92
ONDS-US	Ondas Inc	$7.62	4,354	2,491	2.47	4.33
QS-US	QuantumScape Corporation	$5.48	3,218	2,590	NMF	NMF
ATRO-US	Astronics Corp. (US Listing)	$76.26	3,281	3,893	3.43	2.89
BBAI-US	BigBear.ai Holdings, Inc.	$2.92	1,400	1,101	6.71	8.54
ENVX-US	Enovix Corporation (US Listing)	$3.32	729	789	10.48	9.67
RCAT-US	Red Cat Holdings Inc	$8.37	1,278	835	3.84	5.87
UMAC-US	Unusual Machines Inc.	$23.76	1,187	842	8.15	11.49
ASPN-US	Aspen Aerogels Inc.	$4.92	408	380	1.41	1.52
MVST-US	Microvast Holdings, Inc.	$0.69	266	291		
TAKOF-US	Volatus Aerospace Inc.	$0.37	262	221	4.82	5.82
ATOM-US	Atomera Incorporated	$4.04	158	119		
PDYN-US	Palladyne AI Corp	$5.71	282	229	5.73	7.04
DPRO-US	Draganfly Inc (US Listing)	$6.12	221	126	5.00	8.77
NVX-AU	NOVONIX Ltd (AU Listing)	$0.08	79	101		
BYRN-US	Byrna Technologies Inc.	$3.68	86	75	0.79	0.91
IPWR-US	Ideal Power Inc.	$4.82	79	41		
ZENA-US	ZenaTech, Inc.	$1.68	149	153		
XTIA-US	XTI Aerospace, Inc.	$1.06	41	48		
UAVS-US	AgEagle Aerial Systems, Inc.	$1.06	67	46		
RKT-AU	RocketDNA Ltd	$0.02	19	17		
	AVERAGE				4.84	5.95
KULR-US	KULR Technology Group Inc	$2.55	118	128	5.81	5.36
	KULR-US Premium/(Discount) to peers:				**20%**	**-10%**

Source: Litchfield Hills Research LLC and FactSet

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

December year-end	2022A YEAR	2023A YEAR	2024A YEAR	2025A YEAR	2026E YEAR	2027E YEAR
Total revenue	$3,995	$9,830	$10,737	$16,170	$10,927	$22,000
Growth	66%	146%	9%	51%	-32%	101%
Cost of Goods	1,631	6,164	5,254	15,399	8,148	11,000
Gross Profit	**2,364**	**3,666**	**5,483**	**771**	**2,778**	**11,000**
Gross Margin	**59.2%**	**37.3%**	**51.1%**	**4.8%**	**25.4%**	**50.0%**
Operating Expenses						
R&D	$3,978	$6,195	$4,738	$10,755	$10,756	$8,800
% of total revenue	100%	63%	44%	67%	98%	40%
Selling, G&A	$16,673	$19,882	$15,980	$27,697	$24,839	$28,000
% of total revenue	417%	202%	149%	171%	227%	127%
Total Operating Expenses	20,650	26,078	20,718	38,452	35,595	36,800
Operating Income	**(18,286)**	**(22,412)**	**(15,235)**	**(37,681)**	**(32,817)**	**(25,800)**
Operating Margin	**-457.8%**	**-228.0%**	**-141.9%**	**-233.0%**	**-300.3%**	**-117.3%**
Total Other Items	(1,150)	(1,282)	(2,289)	(24,219)	(33,264)	20
Pre-Tax Income	**(19,436)**	**(23,694)**	**(17,524)**	**(61,900)**	**(66,081)**	**(25,780)**
Pre-Tax Margin	**-486.6%**	**-241.0%**	**-163.2%**	**-382.8%**	**-604.8%**	**-117.2%**
Taxes (benefit)	0	0	0	0	0	0
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	**($19,436)**	**($23,694)**	**($17,524)**	**($61,900)**	**($66,081)**	**($25,780)**
EPS	**(1.47)**	**(1.61)**	**(0.75)**	**(1.56)**	**(1.42)**	**(0.53)**
Diluted Shares Outstanding	13,207	14,728	23,325	39,727	46,637	48,250

Source: Company reports and Litchfield Hills Research LLC

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

December year-end	FY2027E	FY2026E	FY2025A	FY2024A
Balance sheet				
Current Assets				
Cash and S.T.I.	$9,750	$7,530	$13,300	$29,832
Accounts receivable	6,000	2,000	2,077	2,645
Inventories	2,000	1,000	581	545
Other assets	20,000	40,000	9,599	1,142
Total Current Assets	**37,750**	**50,530**	**25,556**	**34,164**
Net PP&E	4,500	7,500	5,483	3,677
Goodwill & Intangible	500	500	371	577
Other non-current assets	8,000	8,000	97,558	24,509
Total Assets	**$50,750**	**$66,530**	**$128,968**	**$62,927**
Current Liabilities				
Accounts payable	$8,000	$2,000	$3,174	$2,061
Accrued exp. & other	$5,000	$3,000	$2,629	$1,581
Deferred revenue	$0	$0	$0	$0
Other current liabilities	$1,000	$500	$474	$1,023
Total current liabilities	**14,000**	**5,500**	**6,277**	**4,666**
Notes payable	0	0	0	11
Other Liabilities	1,000	2,500	1,079	823
Total Liabilities	**15,000**	**8,000**	**7,356**	**5,499**
Stockholders' Equity				
Preferred stock	0	0	0	0
Common stock	26	26	5	3
Additional paid-in-capital	273,000	270,000	267,712	141,532
Retained earnings	(237,572)	(211,792)	(145,711)	(83,811)
Cum. Other comp and treasury stock	296	296	(394)	(296)
Total stockholders' equity	35,750	58,530	121,612	57,428
Total Liabilities and equity	**$50,750**	**$66,530**	**$128,968**	**$62,927**

Source: Company reports and Litchfield Hills Research LLC

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

	FY27E	FY26E	FY25A	FY24A
Net Income	($25,780)	($66,081)	($61,900)	($17,524)
Accounts receivable	(4,000)	77	569	(1,744)
Inventories	(1,000)	(419)	(36)	604
Other assets	20,000	(30,401)	(8,457)	(483)
PP&E	3,000	(2,017)	(1,806)	1,022
Goodwill & Intangible	0	(129)	206	142
Other non-current	0	89,558	(73,048)	(22,967)
Accounts payable	6,000	(1,174)	1,113	(708)
Accrued exp & other - related party	0	0	0	0
Accrued exp. & other	2,000	371	1,048	(1,895)
Deferred revenue	0	0	0	0
Other current liabilities	500	26	(549)	370
Notes payable	0	0	(11)	(239)
Other Liabilities	(1,500)	1,421	256	(5,075)
Common stock	0	21	1	(10)
Additional paid-in-capital	3,000	2,288	126,180	77,144
Cum. trans. adj. and treasury stock	0	690	(98)	0
Dividends	0	0	0	0
Total Cash Flow	2,220	(5,770)	(16,532)	28,637

Source: Company reports and Litchfield Hills Research LLC

Disclosures:

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