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## Research Report – Update

*Investors should consider this report as only a single factor in making their investment decision.*

### Creative Realities, Inc.

**Rating: Speculative Buy**

Howard Halpern

**CREX \$2.64 — (NASDAQ)**

November 17, 2025

|                                 | 2023 A         | 2024 A                  | 2025 E      | 2026 E   |
|---------------------------------|----------------|-------------------------|-------------|----------|
| Total Revenues (in millions)    | \$46.7         | \$50.9                  | \$53.3      | \$100.0  |
| Earnings (loss) per share       | (\$0.18)*      | (\$0.23)**              | (\$0.59)*** | \$0.31   |
| 52-Week range                   | \$4.00– \$1.28 | Fiscal year ends:       |             | December |
| Shares outstanding a/o 11/11/25 | 10.5 million   | Revenue/shares (ttm)    |             | \$4.23   |
| Approximate float               | 7.6 million    | Price/Sales (ttm)       |             | 0.6X     |
| Market Capitalization           | \$27.7 million | Price/Sales (2026) E    |             | 0.3X     |
| Tangible Book value/shr         | (\$1.90)       | Price/Earnings (ttm)    |             | NMF      |
| Price/Book                      | NMF            | Price/Earnings (2026) E |             | 8.5X     |

All per share figures reflect a 1 for 3 reverse stock split effective March 27, 2023. \*Excludes an estimated negative (\$0.17) per share related to the change in fair value of contingent consideration \*\*Excludes (\$0.10) per share loss on extinguishment of debt \*\*\*Excludes a net (\$0.09) per share charge from impairment of software asset and gain from contingent consideration settlement.

Creative Realities, Inc., headquartered in Louisville, KY, provides a complete suite of digital solutions that enhance communications within the digital signage market. The company deploys the hardware, designs and manages the content on its digital signage platforms, as well as providing media advertising services in the US and Canada (through the 4Q25 acquisition of CDM) in the following markets: automotive, advertising networks, apparel & accessories, convenience stores, food and quick service restaurants, gaming, theater, and stadium venues. Recurring revenue is derived from subscription licensing of its content management software offerings.

#### Key Investment Considerations:

**Maintaining Speculative Buy rating and increasing our twelve-month price target to \$8.00 per share from \$4.50 per share due to the significant increase in our revenue forecast for 2026 stemming from 4Q25 acquisition of DDC Group International, Inc., including its subsidiaries Cineplex Digital Media Inc. and Cineplex Digital Media U.S. Inc. – the CDM acquisition.**

**Creative Realities has substantial long-term growth potential for its end-to-end digital signage technology offerings in the US, Canada (through the 4Q25 CDM acquisition) and international markets. Analysts project the US digital signage market growing 6.6% annually to \$9.6 billion in 2030, up from \$6.4 billion in 2024.**

**In November 2025, CREX completed the acquisition of CDM a leader in providing data experience-based digital marketing solutions across North America with over 60% of its revenue being recurring and 84% of sales based in Canada, for approximately \$50 million. The combined companies should generate recurring type revenue of approximately \$40 million entering 2026.**

**For 2025, we project, excluding items a loss of (\$0.59) per share on 2.8% revenue growth to \$53.3 million. We previously forecast a loss per share of (\$0.38) on revenue of \$52.1 million. Our revenue forecast reflects the CDM acquisition, which should drive significant media sales revenue during the final six weeks of the year.**

**For 2026, we project EPS of \$0.31 on 87.6% revenue growth to \$100 million. We previously forecast EPS of \$0.03 on revenue of \$58.6 million. Our revenue forecast reflects a full year of CDM revenues and public guidance provided in November 202. Our initial EPS forecast after the acquisition of CDM reflects gross margin of 41.3% and operating expense margin of 34.2%. CREX announced synergies between the two companies should be implemented, reducing annualized costs by at least \$10 million.**

**Please view our Disclosures on pages 14 - 16**

37 Main Street, Cold Spring Harbor, N.Y. 11724  
(631) 757-1500

## ***Appreciation Potential***

**Maintaining Speculative Buy rating and increasing our twelve-month price target to \$8.00 per share from \$4.50 per share due to the significant increase in our revenue forecast for 2026 stemming from 4Q25 acquisition of DDC Group International, Inc., including its subsidiaries Cineplex Digital Media Inc. and Cineplex Digital Media U.S. Inc. – the CDM acquisition.**

Our rating and price target reflects the company's ability to leverage the combined devices it manages within its network of digital signage customers and the 4Q25 acquisition of CDM. In November 2025, CREX completed the acquisition of CDM, a leader in providing data experience-based digital marketing solutions across North America with over 60% of its revenue being recurring and 84% of sales based in Canada, for approximately \$50 million. This acquisition is anticipated to double CREX's revenue base to approximately \$100 million in 2026. Entering 2026, we anticipated annual recurring revenue of approximately \$40 million, which includes ad and media revenue from CDM that is recurring in nature. Also, CREX announced it anticipates synergies between the two companies should enable management to reduce annualized costs by at least \$10 million by the end of 2026.

**Our 12-month price target of \$8.00 per share implies shares could appreciate more than three-fold over the next twelve months.** According to finviz.com, the average price-to-sales multiple for companies with similar to larger market capitalizations in the software application and infrastructure sectors is 2.8X (unchanged), compared to Creative Realities trailing price-to-sales multiple of 0.6X (prior was 0.5X). We anticipate investors are likely to accord CREX a multiple between the sectors multiple and its current trailing multiple as the company's revenue should increase by 87.6% in 2026 stemming from the 4Q25 acquisition of DDC Group International, Inc., including its subsidiaries Cineplex Digital Media Inc. and Cineplex Digital Media U.S. Inc. (CDM). We applied a price-to-sales multiple of 1.2X (prior was 1.1X) to our 2026 sales per share forecast of \$9.49 (prior was \$5.5), discounted for integration and execution risks, to obtain a year-ahead price target of approximately \$8.00 per share.

Creative Realities' valuation should improve as it reports revenue growth, generates sustained operating profits, and demonstrates cash earnings growth. We anticipate the company generating an operating profit of \$7.1 million in 2026, up from an estimated operating loss of \$3.6 million (excluding \$5.7 million impairment of software asset) in 2025. In 2024, operating income was \$938,000. In 2026, CREX should generate cash earnings of \$13.7 million, up from estimated cash earnings of \$796,000 in 2025. In 2024, cash earnings were \$3.9 million. The increases in 2026 from 2025 is due to the 4Q25 acquisition of CDM.

## ***Overview***

Creative Realities, Inc., headquartered in Louisville, KY, provides a complete suite of digital solutions that enhances communications within the digital signage market. Digital signage utilizes systems that deliver and display visual content such as digital images, video, streaming media, and marketing information that are managed by a content management system. The company deploys the hardware, designs and manages the content on its digital signage platforms, as well as provides media advertising services through the 1Q22 acquisition of Reflect Systems. CREX offerings are deployed to customers in the following markets, automotive, advertising networks, apparel & accessories, convenience stores, food service and quick service restaurants, gaming, theater, and stadium venues. CREX's recurring SaaS revenue is generated from subscription licensing of its content management software offerings that include its Reflect Systems media technology platform.

In February 2022, CREX acquired Reflect Systems, Inc., a Texas based provider of digital signage solutions, including software, and strategic and media services to a wide range of companies. Reflect's digital signage technology offerings power hundreds of thousands of active digital displays in the US, as well as assisting those customers with monetizing their digital media advertising networks.

In November 2025, CREX completed the acquisition of CDM a leader in providing data experience-based digital marketing solutions across North America with over 60% of its revenue being recurring and 84% of sales based in Canada, for approximately \$50 million.

### ***Important Developments***

**In November 2025**, CREX completed the acquisition of CDM a leader in providing data experience-based digital marketing solutions across North America with over 60% of its revenue being recurring and 84% of sales based in Canada, for approximately \$50 million or CAD \$70 million. To finance and fully fund the combined operations on a go forward basis, the company entered into (on November 6, 2025) a new credit agreement in order to complete the acquisition of CDM. On November 12, 2025, CREX announced new financing for the CDM acquisition was completed and that it replaced its existing credit facility that was in place at September 30, 2025.

As of November 7, 2025, using a combination of debt and preferred equity to finance the acquisition of CDM, the company had outstanding a three year \$36 million senior term loan with First Merchants Bank and \$30 million of convertible preferred equity with a \$3 conversion price. At November 7, 2025, CREX had total outstanding debt of \$39.9 million, while still retaining a new credit facility of \$22.5 million with availability of \$17.7 million.

Also, the company added three new members to its Board of Directors, Dan McGrath, the Chief Operating Officer of Cineplex, along with Tom Ellis and Mike Bosco from North Run Capital LP.

On November 12, 2025, CREX announced the hiring of a Chief Revenue Officer, Dan McAllister. Mr. McAllister will be tasked with improving the company's new customer acquisition velocity across North America, as well as have a role in reorganize the sales force and go-to-market strategy in order to grow recurring revenues and push opportunities through the pipeline at a quicker pace than in prior years.

### ***Growth Strategy***

Creative Realities aims to leverage its end-to-end technology platform within the intersection of event, retail, and out of home digital advertising technology markets, which could approximate over \$38 billion globally by 2028.

The primary growth engine in 2026 is the 4Q25 acquisition of CDM. In 2024, CDM posted revenue nearly CAD \$56 million in 2024 should grow revenues by 25% in 2025. The revenue growth reflects CDM operating in more than 6,000 locations with 30,000 endpoints, including such well-known brands as Scotiabank, RBC, AMC Theaters in the US, and Tim Hortons in Canada. In 2025, CDM was made the exclusive partner for the North Carolina Educational Lottery retail deployment, which is a \$54 million deployment over a 10-year period and opens a whole new vertical. It is believed that there could be approximately 10 US state lotteries that are planning to put RFP's out for bid.

As part of the CDM acquisition, CREX acquired Canada's largest mall retail media network, which should generate over \$25 million in annual recurring advertising sales. This digital out-of-home media network has over 750 screens with exclusive representation and revenue sharing across 95 shopping destinations that should serve approximately 750 million visitor or shopper visits annually. Having this footprint in Canada, as well as obtaining as part of the acquisition a creative agency that does very high-end quality content, content design and creation, should open up media network opportunities to CREX's US customer base.

Cross-selling opportunities should drive revenue growth since CDM serves thousands of QSR restaurants, financial institutions and retail establishments across Canada. The QSR restaurants customers in Canada have not yet transformed their drive through operations to digital signage, which should be a large opportunity going forward.

In addition, CDM license certain software applications from third-party providers, so that the combination with CREX should enable the migration to existing platforms such as ReflectView and Clariti CMS, as well as AdLogiq Ad server and AdLogiqCPM+. CREX's ad tech platforms should provide significant synergies to accelerate growth across the business.

Overall, synergies between the two companies should be able to produce at least \$10 million in annualized cost saving by the end of 2026.

The company announced its largest convenience-store customer is beginning a test utilizing their current in-store screens and updating the configuration of those screens and configuring it into a retail media network using CREX's AdLogic ad serving technology. The test is on approximately 2,000 screens, which if successful could expand to 8,000 in-store screens. A decision to move forward could occur in 2Q26 and could add at least an additional \$1 million in annual recurring SaaS

## ***Projections***

### ***Basis of Forecast***

Our forecast reflects the company announcement of deployment delays in 1H25 and a slower than anticipated cadence of customer deployments in 2H25, which will be offset by media sales in the last six weeks of the year from the company's November 7, 2025 acquisition of CDM. For 2026, our forecast reflects a full year of revenue growth from the 4Q25 CDM acquisition and public guidance that the combined entities should generate at least \$100 million in revenue.

We are not forecasting (only recording what CREX reports) income tax expense as the company had approximately \$37.5 million in federal and state net operating loss carryforwards at December 31, 2024.

### ***Operations – 2025***

We project 4.8% total revenue growth to \$53.3 million (prior was \$52.1 million) reflecting the impact CDM should have on 4Q25 results during the final six weeks of the quarter, as well as a \$2 million deployment that slipped into 4Q25 from 3Q25.

We forecast gross profit decreasing 7.5% to \$22.2 million from \$24 million in 2024 due primarily total gross margin compression to 41.7% from 47.2% in 2024, partly offset by revenue growth. We anticipate service and other gross margin of 55.5%, down from 59.1% in 2024. We estimate hardware gross margin of 26.8% from 25.9% in 2024. The overall sales mix should see higher margin service and other only account for 51.9% (prior was 52.5%) of total sales down from 64.1% in 2024.

We expect operating expenses (excluding \$5.7 million impairment of software asset) to increase by \$2.8 million to \$25.9 million from \$23.1 million in 2024. We project G&A expense increasing by \$2.4 million to \$19.5 million from nearly \$17.1 million in 2024 due primarily to stock-based compensation and transaction costs related to the CDM acquisition. We anticipate sales and marketing expense decreasing \$640,000 to \$5.4 million from \$6 million in 2024. We also anticipate approximately \$1 million in merger integration costs to occur in 4Q25.

We project an operating loss of \$3.6 million (excluding \$5.7 million impairment of software asset) compared to operating income of \$938,000 in 2024. The swing to an operating loss reflects gross margin compression and operating expense margin increasing (excluding impairment) to 48.5% from 45.4% in 2024, partly offset by revenue growth. We anticipate non-operating interest expense increasing to \$2.1 million from \$1.8 million due to a higher debt balance in 4Q25 stemming from the financing to acquire CDM. The current period includes a \$4.8 million gain from contingent consideration settlement, while last year included a \$1.6 million negative change in fair value of contingent consideration and \$1.1 million loss on extinguishment of debt.

We project excluding impairment of software asset and settlement gain a loss per share of (\$0.59). We previously projected a loss per share of (\$0.38) after excluding a settlement gain.

### ***Finances***

We forecast 2025 cash earnings of \$796,000 and a decrease in working capital of \$2.4 million resulting in cash from operations of \$3.2 million. Cash from operations and borrowing to fund the acquisition of CDM is unlikely to cover capital expenditures, capitalized software, and repayment of revolving credit facility, decreasing cash by \$640,000 to \$398,000 at December 31, 2025.

### Operations – 2026

We project revenue growth of 87.6% to \$100 million (prior was \$58.6 million) from an estimated \$53.3 million in 2025. Our forecast reflects a full year revenue contribution from the 4Q25 acquisition of CDM.

We forecast gross profit increasing 86% to \$41.3 million from an estimated \$22.2 million in 2025 due to revenue growth, partly offset by total gross margin expanding to 41.3% from an estimated 41.7% in 2025. We anticipate service and other gross margin of 56.4%, up from an estimated 55.5% in 2025. We estimate hardware gross margin of 25% compared to an estimated 26.8% in 2025. The overall sales mix should see higher margin service and other revenue accounting for 52% compared to 51.9% in 2025.

We expect operating expenses of \$34.2 million, up from an estimated \$25.6 million (excluding \$5.7 million impairment of software asset) in 2025. The overall increase reflect a full year of CDM operations, partially offset by the implementation of a program to streamline operations of the combined company.

We project operating income of \$7.1 million from an estimated operating loss of \$3.6 million (excluding \$5.7 million impairment of software asset) in 2025. The improvement reflects revenue growth and operating expense margin improving to 34.2% from an estimated 48.5% in 2025. We anticipate non-operating interest expense increasing to \$3.8 million compared to \$2.2 million in 2025 reflecting higher outstanding debt that was issued to finance the CDM acquisition.

We project net income of \$3.3 million or \$0.31 per share. We previously projected net income of \$280,000 or \$0.03 per share.

### Finances

We forecast 2026 cash earnings of \$13.7 million and an increase in working capital of \$830,000 resulting in cash from operations of \$12.8 million. Cash from operations should cover capital expenditures, capitalized software, and paying down debt and a promissory note. We anticipate cash increasing by \$226,000 to \$624,000 at December 31, 2026.

## **3Q25**

### **3Q25**

CREX reported total revenue decreased to \$103 million from \$144 million in 3Q24. The decrease reflects a reduction in services and other revenues to \$6.4 million from \$9.2 million in the year-ago period, stemming from lower installation service revenue that decreased by \$1.8 million due to fewer customer deployments, and a \$429,000 decrease in managed services revenue reflecting reductions in the quantity of licenses subject to software subscriptions on the company's platforms driven by a single customer that insourced a portion of their hosted environment. Other services revenue decreased by \$591,000 from the same period last year as the company exited media sales effective October 1, 2024. Hardware sales decreased to nearly \$4.2 million compared to \$5.2 million in 3Q24 reflecting a significant sports and entertainment installation in the prior year that did not occur in the current period.

Gross profit decreased to \$4.8 million from \$6.6 million in 3Q24 due primarily to lower revenue and total gross margin decreasing to 45.3% from 45.6% in the year-ago period.

Operating expenses increased \$ \$6.3 million (excluding a \$5.7 million impairment of software asset charge) from \$6.5 million in the year-ago period. G&A expense increased to \$5 million from \$3.9 million in 3Q24 stemming from a \$331,000 increase in stock-based compensation expense for employees and directors, as well as \$766,000 in expenses related to deal and transaction costs incurred in relation to the announced acquisition of Cineplex Digital Media. Sales and marketing expenses decreased to \$1.4 million from \$1.5 million in the year-ago period reflecting lower fixed and variable salaries, taxes and benefits of its personnel by \$265,000, partially offset by an increase of \$111,000 related to higher cost for participation in trade shows and marketing activities.

The company swung to an operating loss of \$1.6 million (excluding a \$5.7 million impairment of software asset charge) compared to operating income of \$1.1 in the year-ago period. The operating loss reflects lower sales, gross margin compression, and operating expense margin (excluding impairment expense) increasing to 60.1% from 37.8% in 3Q24.

Non-operating expense was \$674,000 compared to an expense of \$890,000 in the year-ago period. The current period included interest expense of \$530,000 and other expense of \$144,000. The year-ago period reflects interest expense of \$303,000 and a negative change in the fair value of contingent consideration of \$598,000, partly offset by other income of \$11,000.

Net loss was \$9.8 million or (\$0.75) per share on 10.5 million average shares compared to net income of \$54,000 or \$0.02) per share on 10.6 million average shares in 3Q24. In the current period, excluding the impairment expense, the net loss was approximately \$2.2 million or (\$0.20) per share. We projected a net loss of \$810,000 or (\$0.08) per share on revenue of \$13.1 million.

### Finances

In the nine-month period ending September 30, 2025, cash earnings of \$220,000 and an increase in working capital of \$1.1 resulted in cash used in operations of \$834,000. Borrowings did not cover cash used in operations and capital expenditures. Cash decreased by \$723,000 to \$315,000 at September 30, 2025.

### Capital Structure

At September 30, 2025, CREX had total debt on its balance sheet of \$22.2 million all of which is long-term except \$820,000.

On May 23, 2024, the Creative Realities entered into a credit agreement with First Merchants Bank for a \$22.1 million revolving credit facility, with an uncommitted accordion feature for additional borrowing capacity of up to \$5,000, subject to the Bank's approval. This revolving credit facility matures on May 23, 2027 and accrues interest at a floating rate equal to the 1-month SOFR, plus 0.11%, plus a floating margin ranging from 2% to 3.5% that adjusts quarterly, depending upon CREX's senior funded debt to EBITDA ratio.

On November 6, 2025, the company entered into a new credit agreement in order to complete the acquisition of CDM. On November 12, 2025, CREX announced new financing for the CDM acquisition was completed and that it replaced its existing credit facility that was in place at September 30, 2025.

As of November 7, 2025, using a combination of debt and preferred equity to finance the acquisition of CDM, the company had outstanding a three year \$36 million senior term loan with First Merchants Bank and \$30 million of convertible preferred equity with a \$3 conversion price. At November 7, 2025, CREX had total outstanding debt of \$39.9 million, while still retaining a new credit facility of \$22.5 million with availability of \$17.7 million.

On March 17, 2025, an agreement was reached to resolve the outstanding contingent consideration recorded at \$12.8 million on the balance sheet at December 31, 2024. Part of the resolution included the issuance of a \$4 million 30-month unsecured promissory note that accrues 14% annual interest and will require a balloon payment of \$2.3 million at maturity on September 14, 2027 and Reflect shareholders received nearly 800,000 warrants to purchase common stock of the company at an exercise price of \$3.25 per share that expire in 6-years.

### **Market Briefs**

#### **US Digital Signage**

Grandview Research published a report indicating that the US digital signage market is anticipated to reach \$9.3 billion by 2030, up from nearly \$6.4 billion in 2024 for annualized growth of 6.6%. A primary growth drive for the US digital signage market is the increasing need to enhance a customers' experience therefore within the industry turnkey solutions are seeing huge demand in order to cater to this demand.

Nearly every industry is using or find a place for digital outdoor signage. Also, there is an ongoing shift within the retail sector toward omnichannel experiences and the rise in the adoption of energy-efficient signage.

### **Global Digital Signage**

Grandview Research published a report indicating that the global digital signage market is expected to grow 8.1% annually reaching \$38.45.9 billion in 2030. The market was estimated at \$26.8 billion in 2023.

### **Advertising Technology (AdTech)**

According to Fortune Business Insights, the global AdTech market is expected to grow 14.5% annually reaching over \$1.5 trillion by 2032, up from an estimated \$987 billion in 2025. The advertising technology market is comprised of software and tools that advertisers use to reach target audiences and the ability to deliver, and measure digital advertising campaigns. AdTech software platforms help publishers with the pricing and sale of their ad inventory and also assist brands and agencies in acquiring advertising space. CREX's recent launch of its new AdLogic programmatic platform that positions it as a complete advertising server technology offering for retail advertising customers.

### **Competitive Landscape**

Creative Realities' digital marketing technology and solutions are an evolving business with a fragmented competitive environment. Since the company provides a comprehensive (end-to-end) package of technology and marketing end-solution, it believes there are no direct competitors, only a large number of individual competitors that offer parts of a digital signage solution. Digital signage software competitors include private companies such as Stratacache and Poppulo. Marketing services and systems integrator competitors include private companies such as Sapient Nitro and SageNet, respectively. Overall some of the individual competitors could have significantly greater financial, technical and marketing resources than CREX and may be able to respond more rapidly to the new or emerging technologies or changes in customer requirements.

Within the digital signage market, the competitive landscape is marked by companies needing to gain and maintain broad market acceptance of their technologies, solutions, services, and platforms, and converting that acceptance into direct and indirect sources of revenue.

### **Risks**

In our view, these are the principal risks underlying the stock.

#### **Operating Losses**

At September 30, 2025, the company's accumulated deficit was \$63.2 million, up from \$50.4 million at December 31, 2022. The company had operating losses in 2021 and 2022. CREX generated operating income in 2023 and 2024. We anticipate the company reporting an operating loss in 2025 with a return to generating operating income in 2026 largely due to the 4Q25 acquisition of DDC Group International, Inc., including its subsidiaries Cineplex Digital Media Inc. and Cineplex Digital Media U.S. Inc. (CDM). If our 2026 expectations are not achieved, it could result in CREX's inability to execute its growth strategy and hamper its ability to pay down acquisition related debt.

#### **Recurring Revenue**

From the end of 3Q24 to 4Q24, recurring annual revenue decreased to \$16.8 million from approximately \$18 million due to reductions from two customers. Entering 4Q25, recurring annual revenue decreased to \$12.3 million. However, the company anticipates entering 2026 with approximately \$40 million in annual recurring revenue that includes ad and media revenue which is recurring in nature.

#### **Acquisition and Integration Risks**

The company may utilize acquisitions as part of its growth strategy. In November 2025, the company doubled its revenue base through the acquisition of CDM. The integration and ability to leverage this acquisition is likely to require management's time. The diversion of management could diminish growth activities on existing operations.

#### Credit Facility

The company put in place a new credit facility in November 2025 in order to finance the acquisition of CDM. The new credit facility has a variable interest rate. If interest rates were to increase it would likely have a negative impact on operations and bottom line results.

#### Dilution

In February 2022, Creative Realities completed financing in order to complete the acquisition of Reflect Systems, which in part diluted shareholders and the convertible preferred stock issued as part of the November 2025 acquisition of CDM could significantly dilute existing shareholders if conversion occur at the \$3 per share conversion price. There are approximately 7.3 million common stock options and warrants outstanding at September 30, 2025. Holders must pay cash to exercise outstanding warrants. So while outstanding shares could increase the company's cash balances would also increase. The amount noted above includes nearly 800,000 common stock warrants issued to shareholder of Reflect.

#### Supply Chain

The company's operations include the sale of digital media players and digital displays supplied by third parties, each of which require semiconductors to complete the manufacturing process. Even when inventory is available, the company may experience delays in transportation of these goods from manufacturers.

#### Regulation

Creative Realities operations are subject to regulation by various federal and state governmental agencies due to its radio frequency emission activities that are regulated by the U.S. Federal Communications Commission, and consumer protection laws of the U.S. Federal Trade Commission, as well as product safety regulatory activities of the U.S. Consumer Product Safety Commission, and environmental regulations.

#### Intellectual Property

Some of the company's operations involves ownership and licensing of software. The company is aware that this industry is characterized by frequent intellectual property claims and litigation. Any litigation to determine the validity claims, would likely be costly and time consuming and divert the efforts and attention of management and technical personnel, which would likely hamper current and future operations.

#### Cyber Security

The company could be adversely affected by malicious applications that make changes to its customers' computer systems and interfere with the operation of those systems. The ability to provide customers with a superior interactive marketing technology experience is critical to the company's success so if the efforts to combat these malicious applications fail, there may be claims based on such failure, as well of having CREX's reputation be harmed, which could potentially diminish its operations and financial condition.

#### Shareholder Control

Officers and directors collectively own or have a controlling interest in approximately 15% of the company's outstanding voting stock and additionally one shareholder owns approximately 26% of the company's outstanding voting stock with a second shareholder ownings approximately 4.2% of voting stock as of the company's 2025 SEC filing through August 2025. However, after the financing to close the acquisition of CDM, convertible preferred shareholders could have the ability to own common stock representing 48.7% of CREX's issued and outstanding common stock after giving effect to a conversion. Therefore, f as long as North Run and its affiliates hold a significant amount of preferred shares and/or common stock, they will be able to strongly influence or effectively exercise control over the company. Collectively this ownership could potentially greatly influence the outcome of matters requiring stockholder approval. These decisions may or may not be in the best interests of the other shareholders.

#### Miscellaneous Risk

The company's financial results and equity values are subject to other risks and uncertainties, including competition, operations, financial markets, regulatory risk, and/or other events such as but not limited to the integration of

acquisitions and how that would impact customers, product offering and retaining key management personnel. These risks may cause actual results to differ from expected results.

Trading Volume

In 2024, average daily volume was 58,200, an increase from nearly 44,00 in 2023. Over the last three months to November 14, 2025, average daily volume has increased to 67,000. CREX has a float of approximately 7.6 million shares and outstanding shares of 10.5 million.

Creative Realities, Inc.  
Consolidated Balance Sheets  
FY2023 – FY2026E  
(in thousands)

|                                                                        | <u>FY2023A</u>   | <u>FY2024A</u>   | <u>3Q25A</u>     | <u>FY2025E</u>    | <u>FY2026E</u>    |
|------------------------------------------------------------------------|------------------|------------------|------------------|-------------------|-------------------|
| <b>ASSETS</b>                                                          |                  |                  |                  |                   |                   |
| Current assets:                                                        |                  |                  |                  |                   |                   |
| Cash and cash equivalents                                              | \$ 2,910         | \$ 1,038         | \$ 314           | \$ 398            | \$ 624            |
| Accounts receivable, net                                               | 12,468           | 10,605           | 11,084           | 22,213            | 21,944            |
| Inventories, net                                                       | 2,567            | 1,995            | 4,305            | 4,442             | 5,867             |
| Prepaid expense and other current assets - includes contracts          | <u>665</u>       | <u>859</u>       | <u>1,290</u>     | <u>3,199</u>      | <u>3,000</u>      |
| <b>Total current assets</b>                                            | 18,610           | 14,497           | 16,993           | 30,252            | 31,436            |
| Property and equipment, net                                            | 499              | 321              | 378              | 750               | 295               |
| Operating lease right-of-use                                           | 1,041            | 787              | 1,686            | 1,860             | 1,820             |
| Intangible, net                                                        | 24,062           | 22,841           | 15,383           | 40,383            | 39,995            |
| Goodwill                                                               | 26,453           | 26,453           | 26,453           | 51,453            | 51,453            |
| Other assets                                                           | <u>112</u>       | <u>312</u>       | <u>373</u>       | <u>400</u>        | <u>1,400</u>      |
| <b>Total assets</b>                                                    | <u>\$ 70,777</u> | <u>\$ 65,211</u> | <u>\$ 61,266</u> | <u>\$ 125,098</u> | <u>\$ 126,399</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                            |                  |                  |                  |                   |                   |
| Current liabilities:                                                   |                  |                  |                  |                   |                   |
| Short-term related party convertible loans payable                     | 3,690            | -                | -                | -                 | -                 |
| Short-term debt                                                        | -                | -                | 802              | 802               | -                 |
| Promissory note                                                        | -                | -                | -                | -                 | 2,805             |
| Contingent acquisition consideration, at fair value                    | -                | 12,815           | -                | -                 | -                 |
| Accounts payable                                                       | 7,876            | 6,354            | 8,705            | 15,115            | 13,853            |
| Accrued expenses                                                       | 3,761            | 3,210            | 2,552            | 5,597             | 4,987             |
| Deferred revenues                                                      | 1,132            | 1,137            | 2,470            | 7,500             | 8,500             |
| Customer deposits                                                      | 3,233            | 2,181            | 1,518            | 3,500             | 4,500             |
| Current maturities of operating leases                                 | <u>505</u>       | <u>466</u>       | <u>420</u>       | <u>420</u>        | <u>219</u>        |
| <b>Total current liabilities</b>                                       | 20,197           | 26,163           | 16,467           | 32,934            | 34,864            |
| Revolving credit facility - prior to CDM acquisition                   | -                | 13,044           | 18,163           | -                 | -                 |
| Long-term debt - promissory note                                       | -                | -                | 3,198            | 2,758             | 2,003             |
| Related party acquisition term loan, net                               | 9,213            | -                | -                | -                 | -                 |
| Related party loans payable, net                                       | 616              | -                | -                | -                 | -                 |
| Term loan - Post CDM acquisition                                       | -                | -                | -                | 36,000            | 30,000            |
| Contingent acquisition consideration, at fair value                    | 11,208           | -                | -                | -                 | -                 |
| Long-term obligations under operating leases                           | 536              | 342              | 1,384            | 1,384             | 1,384             |
| Other and deferred tax liabilities                                     | 176              | 201              | 165              | 165               | 165               |
| <b>Stockholders' equity:</b>                                           |                  |                  |                  |                   |                   |
| Series A convertible preferred stock, 30,000 shares authorized @ 1,000 | -                | -                | -                | 1                 | 1                 |
| Common stock, \$0.01 par value; authorized 200,000 shares;             | 104              | 104              | 105              | 105               | 105               |
| Additional paid-in capital                                             | 82,073           | 82,210           | 84,949           | 115,696           | 117,606           |
| Retained earnings (accumulated deficit)                                | (53,346)         | (56,854)         | (63,165)         | (63,945)          | (59,729)          |
| <b>Total stockholders' equity</b>                                      | <u>28,831</u>    | <u>25,460</u>    | <u>21,889</u>    | <u>51,857</u>     | <u>57,983</u>     |
| <b>Total liabilities and stockholders' equity</b>                      | <u>\$ 70,777</u> | <u>\$ 65,210</u> | <u>\$ 61,266</u> | <u>\$ 125,098</u> | <u>\$ 126,399</u> |
| SHARES OUT                                                             | 10,410           | 10,477           | 10,519           | 10,525            | 10,550            |
| Series A convertible preferred stock - outstanding                     |                  |                  |                  | 30,000            | 30,000            |

Source: Company reports and Taglich Brothers estimates

Creative Realities, Inc.  
Annual Income Statement  
FY2023 – FY2026E  
(in thousands)

|                                                           | <u>FY23 A</u>    | <u>FY24 A</u>    | <u>FY25 E</u>    | <u>FY26 E</u>  |
|-----------------------------------------------------------|------------------|------------------|------------------|----------------|
| Hardware                                                  | \$ 20,303        | \$ 18,259        | \$ 25,635        | \$ 48,000      |
| Services and other                                        | 24,863           | 32,595           | 27,676           | 52,000         |
| Total Revenues                                            | \$ 45,166        | \$ 50,854        | \$ 53,311        | \$ 100,000     |
| Cost of Sales per segment                                 |                  |                  |                  |                |
| Hardware                                                  | 15,280           | 13,521           | 18,769           | 36,000         |
| Services and other                                        | 7,703            | 13,322           | 12,325           | 22,670         |
| Total Cost of sales                                       | 22,983           | 26,843           | 31,094           | 58,670         |
| <b>Gross Profit</b>                                       | <u>22,183</u>    | <u>24,011</u>    | <u>22,217</u>    | <u>41,330</u>  |
| <b>Operating Expenses:</b>                                |                  |                  |                  |                |
| Sales and marketing                                       | 5,247            | 6,015            | 5,375            | 9,170          |
| General and administrative                                | 15,590           | 17,058           | 19,483           | 23,670         |
| Transaction and merger integration costs                  | -                | -                | 1,000            | 1,400          |
| Impairment of software asset                              | -                | -                | 5,712            | -              |
| Total Operating Expenses                                  | 20,837           | 23,073           | 31,570           | 34,240         |
| <b>Operating Income (loss)</b>                            | 1,346            | 938              | (9,353)          | 7,090          |
| Other income (expense)                                    |                  |                  |                  |                |
| Interest (expense) includes amortization of debt discount | (2,992)          | (1,775)          | (2,114)          | (3,830)        |
| Gain on settlement of contingent consideration            | -                | -                | 4,775            | -              |
| Change in fair value of contingent consideration          | (1,419)          | (1,608)          | -                | -              |
| Loss on fair value/extinguishment of debt and waiver      | -                | (1,059)          | -                | -              |
| Other income (expense), net                               | 211              | 102              | (408)            | -              |
| Total Other Income (expense)                              | (4,200)          | (4,340)          | 2,253            | (3,830)        |
| <b>Pre-Tax Income (loss)</b>                              | (2,854)          | (3,402)          | (7,100)          | 3,260          |
| Income Tax Expense (Benefit)*                             | 83               | 106              | (9)              | -              |
| <b>Net income (loss)</b>                                  | <u>(2,937)</u>   | <u>(3,508)</u>   | <u>(7,091)</u>   | <u>3,260</u>   |
| <b>Earning (loss) per share</b>                           | <u>\$ (0.35)</u> | <u>\$ (0.33)</u> | <u>\$ (0.68)</u> | <u>\$ 0.31</u> |
| Avg Shares Outstanding                                    | 8,470            | 10,487           | 10,503           | 10,533         |
| Adjusted EBITDA                                           | \$ 5,100         | \$ 5,029         | \$ 3,433         | \$ 17,500      |
| Margin Analysis                                           |                  |                  |                  |                |
| Hardware                                                  | 24.7%            | 25.9%            | 26.8%            | 25.0%          |
| Services and other                                        | 69.0%            | 59.1%            | 55.5%            | 56.4%          |
| Total gross margin                                        | 49.1%            | 47.2%            | 41.7%            | 41.3%          |
| Sales and marketing                                       | 11.6%            | 11.8%            | 10.1%            | 9.2%           |
| General and administrative                                | 34.5%            | 33.5%            | 36.5%            | 23.7%          |
| Operating margin                                          | 3.0%             | 1.8%             | (17.5%)          | 7.1%           |
| Pre-tax margin                                            | (6.3%)           | (6.7%)           | (13.3%)          | 3.3%           |
| Tax rate                                                  | (2.9%)           | (3.1%)           | 0.1%             | 0.0%           |
| <b>YEAR / YEAR GROWTH</b>                                 |                  |                  |                  |                |
| Total Revenues                                            | 4.2%             | 12.6%            | 4.8%             | 87.6%          |

Source: Company reports and Taglich Brothers estimates

Creative Realities, Inc.  
Income Statement Model  
Quarters FY2024A – 2026E  
(in thousands)

|                                                           | Q1 24 A   | Q2 24 A   | Q3 24 A   | Q4 24 A   | FY24 A    | Q1 25 A  | Q2 25 A   | Q3 25 A   | Q4 25 E   | FY25 E    | Q1 26 E   | Q2 26 E   | Q3 26 E   | Q4 26 E   | FY26 E     |
|-----------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Hardware                                                  | \$ 4,144  | \$ 5,024  | \$ 5,241  | \$ 3,850  | \$ 18,259 | \$ 3,394 | \$ 7,073  | \$ 4,168  | \$ 11,000 | \$ 25,635 | \$ 9,000  | \$ 11,500 | \$ 13,500 | \$ 14,000 | \$ 48,000  |
| Services and other                                        | 8,141     | 8,091     | 9,201     | 7,162     | 32,595    | 6,340    | 5,957     | 6,379     | 9,000     | 27,676    | 10,000    | 11,000    | 12,800    | 18,200    | 52,000     |
| Total Revenues                                            | \$ 12,285 | \$ 13,115 | \$ 14,442 | \$ 11,012 | \$ 50,854 | \$ 9,734 | \$ 13,030 | \$ 10,547 | \$ 20,000 | \$ 53,311 | \$ 19,000 | \$ 22,500 | \$ 26,300 | \$ 32,200 | \$ 100,000 |
| Cost of Sales per segment                                 |           |           |           |           |           |          |           |           |           |           |           |           |           |           |            |
| Hardware                                                  | 3,193     | 3,510     | 3,979     | 2,839     | 13,521    | 2,304    | 5,298     | 2,917     | 8,250     | 18,769    | 6,750     | 8,625     | 10,125    | 10,500    | 36,000     |
| Services and other                                        | 3,328     | 2,817     | 3,874     | 3,303     | 13,322    | 2,977    | 2,715     | 2,853     | 3,780     | 12,325    | 5,000     | 4,950     | 5,440     | 7,280     | 22,670     |
| Total Cost of sales                                       | 6,521     | 6,327     | 7,853     | 6,142     | 26,843    | 5,281    | 8,013     | 5,770     | 12,030    | 31,094    | 11,750    | 13,575    | 15,565    | 17,780    | 58,670     |
| <b>Gross Profit</b>                                       | 5,764     | 6,788     | 6,589     | 4,870     | 24,011    | 4,453    | 5,017     | 4,777     | 7,970     | 22,217    | 7,250     | 8,925     | 10,735    | 14,420    | 41,330     |
| <b>Operating Expenses:</b>                                |           |           |           |           |           |          |           |           |           |           |           |           |           |           |            |
| Sales and marketing                                       | 1,465     | 1,665     | 1,525     | 1,360     | 6,015     | 1,247    | 1,156     | 1,372     | 1,600     | 5,375     | 1,700     | 1,900     | 2,100     | 3,470     | 9,170      |
| General and administrative                                | 4,375     | 4,531     | 3,928     | 4,224     | 17,058    | 3,928    | 5,192     | 4,963     | 5,400     | 19,483    | 5,650     | 5,500     | 5,600     | 6,920     | 23,670     |
| Transaction and merger integration costs                  | -         | -         | -         | -         | -         | -        | -         | -         | 1,000     | 1,000     | 1,400     | -         | -         | -         | 1,400      |
| Impairment of software asset                              | -         | -         | -         | -         | -         | -        | -         | 5,712     | -         | 5,712     | -         | -         | -         | -         | -          |
| Total Operating Expenses                                  | 5,840     | 6,196     | 5,453     | 5,584     | 23,073    | 5,175    | 6,348     | 12,047    | 8,000     | 31,570    | 8,750     | 7,400     | 7,700     | 10,390    | 34,240     |
| <b>Operating Income (loss)</b>                            | (76)      | 592       | 1,136     | (714)     | 938       | (722)    | (1,331)   | (7,270)   | (30)      | (9,353)   | (1,500)   | 1,525     | 3,035     | 4,030     | 7,090      |
| Other income (expense)                                    |           |           |           |           |           |          |           |           |           |           |           |           |           |           |            |
| Interest (expense) includes amortization of debt discount | (663)     | (513)     | (303)     | (296)     | (1,775)   | (321)    | (513)     | (530)     | (750)     | (2,114)   | (965)     | (960)     | (955)     | (950)     | (3,830)    |
| Gain on settlement of contingent consideration            | -         | -         | -         | -         | -         | 4,775    | -         | -         | -         | 4,775     | -         | -         | -         | -         | -          |
| Change in fair value of contingent consideration          | 604       | 408       | (598)     | (2,022)   | (1,608)   | -        | -         | -         | -         | -         | -         | -         | -         | -         | -          |
| Loss on fair value/extinguishment of debt and waiver      | -         | (1,059)   | -         | -         | (1,059)   | -        | -         | -         | -         | -         | -         | -         | -         | -         | -          |
| Other income (expense), net                               | 35        | (18)      | 11        | 74        | 102       | (265)    | 1         | (144)     | -         | (408)     | -         | -         | -         | -         | -          |
| Total Other Income (expense)                              | (24)      | (1,182)   | (890)     | (2,244)   | (4,340)   | 4,189    | (512)     | (674)     | (750)     | 2,253     | (965)     | (960)     | (955)     | (950)     | (3,830)    |
| <b>Pre-Tax Income (loss)</b>                              | (100)     | (590)     | 246       | (2,958)   | (3,402)   | 3,467    | (1,843)   | (7,944)   | (780)     | (7,100)   | (2,465)   | 565       | 2,080     | 3,080     | 3,260      |
| Income Tax Expense (Benefit)*                             | 9         | 25        | 192       | (120)     | 106       | 99       | (26)      | (82)      | -         | (9)       | -         | -         | -         | -         | -          |
| Net income (loss)                                         | (109)     | (615)     | 54        | (2,838)   | (3,508)   | 3,368    | (1,817)   | (7,862)   | (780)     | (7,091)   | (2,465)   | 565       | 2,080     | 3,080     | 3,260      |
| <b>Earning (loss) per share</b>                           | \$ (0.01) | \$ (0.06) | \$ 0.01   | \$ (0.27) | \$ (0.33) | \$ 0.32  | \$ (0.17) | \$ (0.75) | \$ (0.07) | \$ (0.68) | \$ (0.23) | \$ 0.05   | \$ 0.20   | \$ 0.29   | \$ 0.31    |
| Avg Shares Outstanding                                    | 10,421    | 10,447    | 10,634    | 10,447    | 10,487    | 10,477   | 10,496    | 10,519    | 10,520    | 10,503    | 10,525    | 10,530    | 10,535    | 10,540    | 10,533     |
| Adjusted EBITDA                                           | \$ 766    | \$ 1,525  | \$ 2,271  | \$ 467    | \$ 5,029  | \$ 467   | \$ 1,228  | \$ 768    | \$ 970    | \$ 3,433  | \$ 0      | \$ 4,495  | \$ 6,005  | \$ 7,000  | \$ 17,500  |
| Margin Analysis                                           |           |           |           |           |           |          |           |           |           |           |           |           |           |           |            |
| Hardware                                                  | 22.9%     | 30.1%     | 24.1%     | 26.3%     | 25.9%     | 32.1%    | 25.1%     | 30.0%     | 25.0%     | 26.8%     | 25.0%     | 25.0%     | 25.0%     | 25.0%     | 25.0%      |
| Services and other                                        | 59.1%     | 65.2%     | 57.9%     | 53.9%     | 59.1%     | 53.0%    | 54.4%     | 55.3%     | 58.0%     | 55.5%     | 50.0%     | 55.0%     | 57.5%     | 60.0%     | 56.4%      |
| Total gross margin                                        | 46.9%     | 51.8%     | 45.6%     | 44.2%     | 47.2%     | 45.7%    | 38.5%     | 45.3%     | 39.8%     | 41.7%     | 38.2%     | 39.7%     | 40.8%     | 44.8%     | 41.3%      |
| Sales and marketing                                       | 11.9%     | 12.7%     | 10.6%     | 12.4%     | 11.8%     | 12.8%    | 8.9%      | 13.0%     | 8.0%      | 10.1%     | 8.9%      | 8.4%      | 8.0%      | 10.8%     | 9.2%       |
| General and administrative                                | 35.6%     | 34.5%     | 27.2%     | 38.4%     | 33.5%     | 40.4%    | 39.8%     | 47.1%     | 27.0%     | 36.5%     | 29.7%     | 24.4%     | 21.3%     | 21.5%     | 23.7%      |
| Operating margin                                          | (0.6%)    | 4.5%      | 7.9%      | (6.5%)    | 1.8%      | (7.4%)   | (10.2%)   | (68.9%)   | (0.2%)    | (17.5%)   | (7.9%)    | 6.8%      | 11.5%     | 12.5%     | 7.1%       |
| Pre-tax margin                                            | (0.8%)    | (4.5%)    | 1.7%      | (26.9%)   | (6.7%)    | 35.6%    | (14.1%)   | (75.3%)   | (3.9%)    | (13.3%)   | (13.0%)   | 2.5%      | 7.9%      | 9.6%      | 3.3%       |
| Tax rate                                                  | (9.0%)    | (4.2%)    | 78.0%     | 4.1%      | (3.1%)    | 2.9%     | 1.4%      | 1.0%      | 0.0%      | 0.1%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%       |
| <b>YEAR / YEAR GROWTH</b>                                 |           |           |           |           |           |          |           |           |           |           |           |           |           |           |            |
| Total Revenues                                            | 23.5%     | 42.6%     | 24.8%     | (23.8%)   | 12.6%     | (20.8%)  | (0.6%)    | (27.0%)   | 81.6%     | 4.8%      | 95.2%     | 72.7%     | 149.4%    | 61.0%     | 87.6%      |

Source: Company reports and Taglich Brothers estimates

Creative Realities, Inc.  
Cash Flow Statement  
FY2023 – FY2026E  
(in thousands)

|                                                                             | <u>FY2023A</u>  | <u>FY2024A</u>  | <u>9 Mos. 25A</u> | <u>FY2025E</u>  | <u>FY2026E</u> |
|-----------------------------------------------------------------------------|-----------------|-----------------|-------------------|-----------------|----------------|
| <i>Cash Flows from Operating Activities</i>                                 |                 |                 |                   |                 |                |
| Net Income (loss)                                                           | \$ (2,937)      | \$ (3,508)      | \$ (6,311)        | \$ (7,091)      | \$ 3,260       |
| Depreciation and amortization                                               | 3,221           | 4,078           | 3,629             | 5,000           | 8,500          |
| Amortization of debt discount and deferred financing costs                  | 1,443           | 632             | 77                | 77              | -              |
| Stock-based compensation                                                    | 563             | 13              | 1,679             | 1,808           | 1,910          |
| Gain on settlement of contingent consideration                              | -               | -               | (4,775)           | (4,775)         | -              |
| Allowance for doubtful accounts                                             | 153             | 13              | 201               | 57              | -              |
| Loss on extinguishment of debt                                              | -               | 1,059           | -                 | -               | -              |
| Deferred tax (benefit)/expense                                              | 44              | 61              | (1)               | (1)             | -              |
| Provision for inventory reserve                                             | -               | (43)            | 9                 | 9               | -              |
| Impairment of software asset                                                | -               | -               | 5,712             | 5,712           | -              |
| Loss (gain) on change in earnout liability and contingent consideration     | 1,419           | 1,608           | -                 | -               | -              |
| Cash earnings (burn)                                                        | 3,906           | 3,913           | 220               | 796             | 13,670         |
| <i>Changes In:</i>                                                          |                 |                 |                   |                 |                |
| Accounts receivable and unbilled receivables                                | (4,358)         | 1,850           | (680)             | (11,608)        | 268            |
| Inventories - work-in-progress                                              | (300)           | 615             | (2,319)           | (2,447)         | (1,425)        |
| Prepaid expenses and other current assets                                   | 952             | (194)           | (331)             | (2,340)         | 199            |
| Accounts payable and other current payables                                 | 4,486           | (1,388)         | 2,384             | 8,761           | (1,263)        |
| Deferred revenue                                                            | (91)            | 5               | 1,333             | 6,363           | 1,000          |
| Accrued expenses, net                                                       | (47)            | (395)           | (602)             | 2,387           | (610)          |
| Customer deposits                                                           | 755             | (1,052)         | (663)             | 1,319           | 1,000          |
| Other, net                                                                  | (136)           | 27              | (176)             | (36)            | -              |
| (Increase)/decrease in Working Capital                                      | 1,261           | (532)           | (1,054)           | 2,399           | (830)          |
| <b>Net cash provided (used in) Operations</b>                               | <u>5,167</u>    | <u>3,381</u>    | <u>(834)</u>      | <u>3,195</u>    | <u>12,840</u>  |
| <i>Cash Flows from Investing Activities</i>                                 |                 |                 |                   |                 |                |
| Purchase of property and equipment                                          | (306)           | (11)            | (210)             | (300)           | (500)          |
| Acquisition of a business                                                   | -               | -               | -                 | (50,000)        | -              |
| Capitalization of internal and external labor for software development      | (3,721)         | (2,790)         | (1,763)           | (3,000)         | (4,500)        |
| <b>Cash flow provided (used in) Investing Activities</b>                    | <u>(4,027)</u>  | <u>(2,801)</u>  | <u>(1,973)</u>    | <u>(53,300)</u> | <u>(5,000)</u> |
| <i>Cash Flows from Financing Activities</i>                                 |                 |                 |                   |                 |                |
| Proceeds from common stock issuance, net of issuance costs                  | 5,454           | -               | -                 | -               | -              |
| Proceeds from issuance of convertible 5.25% preferred stock                 | -               | -               | -                 | 30,000          | -              |
| Proceeds from sale and exercise of pre-funded warrants in PIPE, net         | -               | -               | -                 | -               | -              |
| Proceeds from acquisition loan, net                                         | -               | -               | -                 | -               | -              |
| Term loan proceeds (repayment)                                              | (4,040)         | (15,147)        | -                 | -               | -              |
| Proceeds (repayment ) of term loan for CDM acquisition                      | -               | -               | -                 | 36,000          | (6,000)        |
| Proceeds (repayment) from revolving credit facility - prior to CDM acquisit | -               | 13,045          | 5,119             | (13,044)        | -              |
| Settlement of contingent consideration                                      | -               | -               | (3,000)           | (3,000)         | -              |
| Principal payments on finance leases                                        | (23)            | (44)            | (35)              | (51)            | (57)           |
| Deferred financing costs (payment)                                          | -               | (306)           | -                 | -               | -              |
| Promissory Note (repayment)                                                 | -               | -               | -                 | (440)           | (755)          |
| Repayment of seller note and short term debt                                | (1,254)         | -               | -                 | -               | (802)          |
| <b>Net cash provided (used) by Financing</b>                                | <u>137</u>      | <u>(2,452)</u>  | <u>2,084</u>      | <u>49,465</u>   | <u>(7,614)</u> |
| Net change in Cash                                                          | 1,277           | (1,872)         | (723)             | (640)           | 226            |
| Cash Beginning of Period                                                    | 1,633           | 2,910           | 1,038             | 1,038           | 398            |
| Cash End of Period                                                          | <u>\$ 2,910</u> | <u>\$ 1,038</u> | <u>\$ 315</u>     | <u>\$ 398</u>   | <u>\$ 624</u>  |

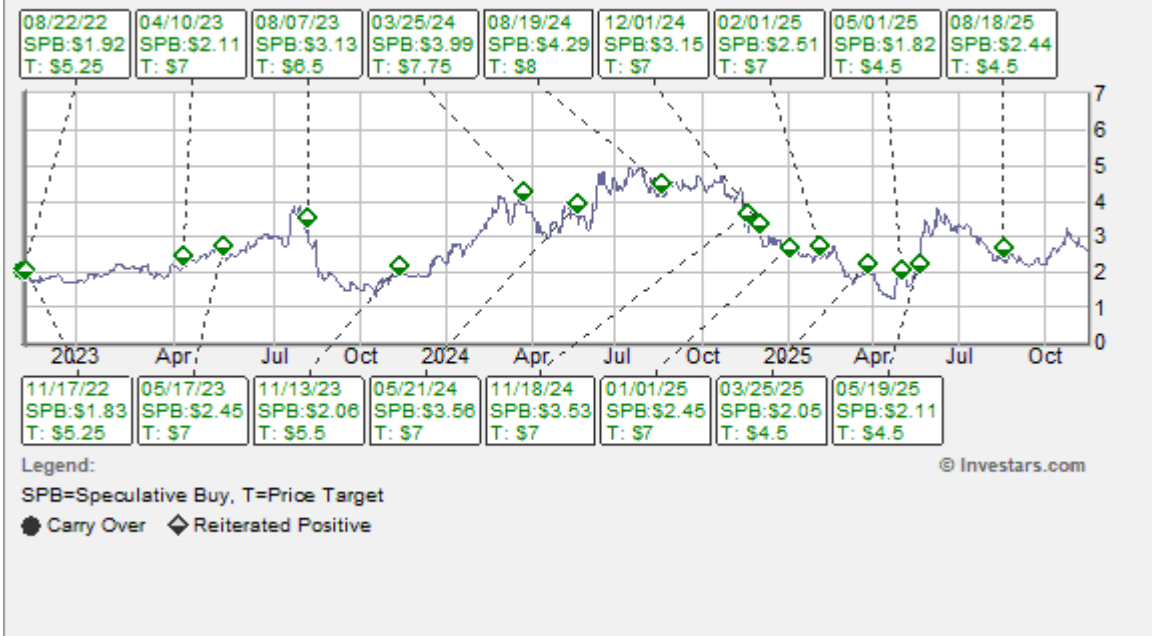
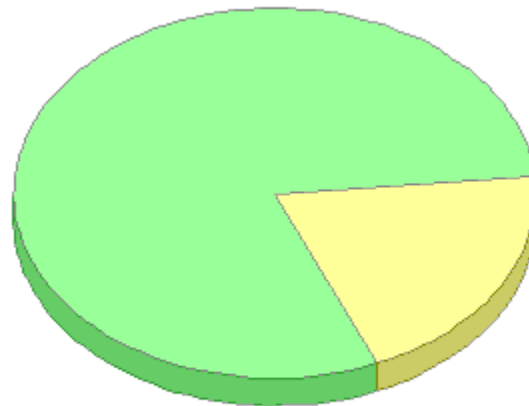
Source: Company reports and Taglich Brothers estimates

**Price Chart**

Closing Price November 14, 2025: \$2.64

Taglich Brothers ratings for CREX (CREATIVE REALITIES INC)

Closing Price Nov 13, 2025: \$2.66

**Taglich Brothers Current Ratings Distribution**

80 % Buy 20 % Hold

**Investment Banking Services for Companies Covered in the Past 12 Months**

| Rating    | # | %  |
|-----------|---|----|
| Buy       | 3 | 33 |
| Hold      |   |    |
| Sell      |   |    |
| Not Rated |   |    |

**Important Disclosures**

As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families do not have a position in the stock of the company mentioned in this report. Taglich Brothers, Inc. does not currently have an Investment Banking relationship with the company mentioned in this report and was not a manager or co-manager of any offering for the company with in the last three years.

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**I, Howard Halpern, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.**

**Public Companies mentioned in this report:**

### **Meaning of Ratings**

**Buy** – The growth prospects, degree of investment risk, and valuation make the stock attractive relative to the general market or comparable stocks.

**Speculative Buy** – Long-term prospects of the company are promising but investment risk is significantly higher than it is in our BUY-rated stocks. Risk-reward considerations justify purchase mainly by high risk-tolerant accounts. In the short run, the stock may be subject to high volatility and could continue to trade at a discount to its market.

**Neutral** – Based on our outlook the stock is adequately valued. If investment risks are within acceptable parameters, this equity could remain a holding if already owned.

**Sell** – Based on our outlook the stock is significantly overvalued. A weak company or sector outlook and a high degree of investment risk make it likely that the stock will underperform relative to the general market.

**Discontinued** – Research coverage discontinued due to the acquisition of the company, termination of research services (includes non-payment for such services), diminished investor interest, or departure of the analyst.

### **Some notable Risks within the Microcap Market**

**Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company-specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.**

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From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.