# Fusemachines Inc.

**FUSE**

Nasdaq; business equipment; SIC 7373, Services-Computer Integrated Systems Design; CIK 0002033383

# None

### No letter

3 of 14 inputs computable; 7 are required, with a score in every sleeve

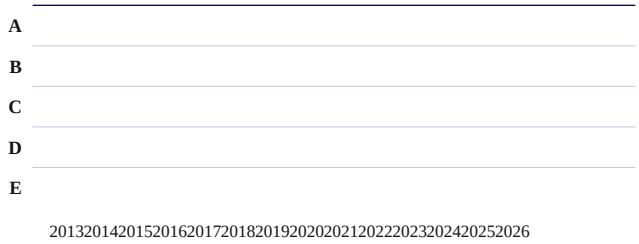
| Scoreboard | |
|---|---|
| **Reliability** | 0.76 AUC<br>filers with under $12.5M assets; 95% interval 0.65 to 0.86; 63 events, 2020 to 2025 |
| **Peer failure rate** | 0.60% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | under $12.5M assets<br>total assets $7.5M |
| **Standard universe** | outside<br>revenue above $1M and assets above $10M |
| **Warnings** | short runway, late filer, thin data; fort...<br>not computable: dilution, distress |
| **Inputs computable** | 3 of 14 |
| **Graded from** | filings received through Mar 27, 2026<br>222 days before the rescan; latest periodic filing 10-Q received Nov 3, 2026 |
| **Last close** | $0.37<br>2026-10-29; market equity $0; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Mar 27, 2026*

is a leading provider of enterprise AI solutions, offering AI products including AI Studio, AI Engines, and AI Agents, along with supporting services to organizations across a wide range of industries. With more than a decade of experience, we help enterprises integrate AI into their operations to improve efficiency, reduce costs, and drive innovation. Our products and services are uniquely supported by a global talent pool largely sourced from underserved communities, enabling us to deliver high quality AI solutions at scale while advancing diverse client base spans industries including consumer brands, healthcare, media, technology, government, and others.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 11.3** | | | | | | |
| Gross profitability | 57.2% | 28.7% | | 11.3 | 555 | 2025-12-31 |
| Return on invested capital | not computable | 11.6% | | | | |

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| | | | | | | |
|---|---|---|---|---|---|---|
| *a prior annual debt, equity, and cash observation is required* | | | | | | |
| Accruals ratio | not computable | (7.4%) | | | | |
| *a prior annual assets observation is required* | | | | | | |
| Gross margin stability, five years | not computable | 2.3 pts | | | | |
| *five annual gross margins are required; found 1* | | | | | | |
| **Solvency, sleeve percentile 95.9** | | | | | | |
| Twelve-month failure probability | not computable | 0.06% | | | | |
| *firm-wide XBRL shares cannot be assigned to one ticker class* | | | | | | |
| Altman Z double-prime | (33.21) | 2.16 | | 95.1 | 564 | 2025-12-31 |
| Net debt to EBITDA | not computable | 1.08x | | | | |
| *EBITDA must exceed $100,000* | | | | | | |
| Interest coverage | not computable | 3.77x | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Current ratio | 0.31x | 2.01x | | 96.7 | 662 | 2025-12-31 |
| **Growth and financing** | | | | | | |
| Revenue growth, three-year compound | not computable | 6.4% | | | | |
| *four annual observations are required; found 1* | | | | | | |
| Free cash flow growth, three-year compound | not computable | 18.2% | | | | |
| *four consecutive annual FCF observations are required; found 1* | | | | | | |
| Reinvestment rate | not computable | 14.3% | | | | |
| *a prior annual working-capital observation is required* | | | | | | |
| Asset growth, three years | not computable | 5.1% | | | | |
| *four annual observations are required; found 1* | | | | | | |
| Net share issuance, one year | not computable | 0.5% | | | | |
| *firm-wide XBRL shares cannot be assigned to one ticker class* | | | | | | |

## Warnings

*4 of 7 checks triggered; none of them enters the letter*

| Check | Measured |
|---|---|
| Short runway | cash runway is 1.8 months |
| Late filer | found 1 NT 10-K/Q filings in the last eight quarters |
| Thin data | 3 of 14 grade factors are computable; minimum is 7 |
| Fortress balance sheet | cash minus debt is 3,921,000 USD; Altman Z is not used |

## What the price implies

*at the 2026-10-29 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | (80.7%) | (2.0%) | 5 |
| Distance from 52-week high | (87.1%) | (32.7%) | 5 |
| EBIT to enterprise value | not computable | 1.6% | |
| Free cash flow yield | not computable | 2.8% | |
| Book value to price | not computable | 0.27 | |
| Sales to price | not computable | 0.31 | |
| Composite equity issuance, five years | not computable | 4.2% | |
| Relative strength against the sector, log excess return | (1.91) | (0.29) | 5 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2025-12-31** | |
| Return on assets above zero | fail |
| Operating cash flow above zero | fail |

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| | |
|---|---|
| Return on assets improved | fail |
| Operating cash flow exceeds net income | fail |
| Long-term leverage fell | fail |
| Current ratio improved | fail |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | fail |

**Cash, filings, liquidity**

| | |
|---|---|
| Cash and equivalents | $1.5M |
| Operating cash flow, four quarters | -$9.8M |
| Months of runway | 1.8 |
| Days since last periodic filing | 1 (10-Q received Nov 3, 2026) |
| Median daily dollar volume, 63 sessions | $52,437 |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | gross profit | us-gaap:GrossProfit | $4.3M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 2 | assets | us-gaap:Assets | $7.5M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | -$6.0M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$925,000 | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $3,000 | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 6 | total debt | us-gaap:LongTermDebt | $300,000 | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 7 | book equity | us-gaap:StockholdersEquity | -$14.6M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $4.2M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 9 | net income | us-gaap:NetIncomeLoss | -$928,000 | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 10 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$5.5M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 11 | current assets | us-gaap:AssetsCurrent | $6.3M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 12 | current liabilities | us-gaap:LiabilitiesCurrent | $20.0M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 13 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$35.1M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 14 | liabilities | us-gaap:Liabilities | $22.1M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 15 | depreciation amortization | us-gaap:Depreciation | $96,800 | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 16 | revenue | us-gaap:Revenues | $7.7M | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |
| 17 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $53,000 | 2025-12-31 | 2026-03-27 | 10-K | 26-013285 |

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