

FCL-X Fire & Safety – Stamp of Approval from Kia Georgia Order

Rating
BUY
Unchanged

Target Price
\$0.60
Unchanged

September 30, 2026

Disseminated on Behalf of FCL-X

All figures in USD unless otherwise stated

FCL-X Fire & Safety Inc.	FCLX:TSXV
Rating	BUY
Target Price	C\$0.60
Return to Target	69%

Market Data

Share Price	C\$0.36
Average Daily TSXV Volume (K)	16.7
FD ITM Shares (M)	118.1
Market Cap (\$M)	\$29.6
PF Cash & Cash Equivalents (\$M)	\$3.7
Debt (\$M)	\$0.0
Enterprise Value (\$M)	\$25.8

FYE Oct 31	FY25A	FY26E	FY27E
Revenue (\$M)	\$0.7	\$0.9	\$3.1
Gross Margin (%)	41%	52%	62%
Adj. EBITDA (\$M)	(\$2.1)	(\$2.7)	(\$3.0)
Adj. EBITDA Margin (%)	N/A	N/A	-96%
Net Income (\$M)	(\$3.0)	(\$3.3)	(\$3.6)
EPS (Basic)	(\$0.04)	(\$0.04)	(\$0.05)

Valuation	FY25A	FY26E	FY27E
EV/EBITDA	N/A	N/A	N/A
EV/Sales	37.2x	28.4x	8.3x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



FCL-X Fire & Safety Inc. is a U.S.-based fire and safety technology company focused on protecting people, property, and critical infrastructure from the growing risks associated with lithium-ion battery fires. The Company's proprietary FCL-X™ technology is a water-based lithium-ion battery fire extinguishing agent designed for applications spanning electric vehicles, industrial facilities, energy storage systems, first responders, transportation, waste management, and other battery-intensive environments.

Nicholas Cortellucci, CFA | Equity Research Analyst | ncortellucci@atriumresearch.ca | 647-391-3314
Luca Perna | Equity Research Associate | lperna@atriumresearch.ca | 647-969-1027

What you need to know:

- FCLX announced that it has signed a strategic integrated safety purchase order with Kia Georgia, U.S. manufacturing subsidiary of Kia Corporation which operates the automaker's assembly plant in West Point, Georgia.
- FCLX will provide risk assessment, fire protection engineering, and safety protocols designed to protect personnel, assets, and surrounding environments.
- The Company recently completed its corporate rebrand to FCL-X Fire & Safety and closed on a \$5.1M equity financing.

Yesterday after market close, FCL-X Fire & Safety Inc. (FCLX:TSXV, FCLIF:OTCQB, K0Q:FSE), previously known as Full Circle Lithium, announced that it has secured a strategic integrated safety purchase order from Kia Georgia. The order aims to advance battery safety at its plant and, in our view, serves as a stamp of approval for FCL-X as an integration partner. **We are maintaining our BUY rating and our C\$0.60/share target price on FCLX.**

The integrated safety purchase order (ISPO) serves Kia's West Point, Georgia facility and builds on years of strong relationships between the two companies, with Kia donating several electric vehicles for FCLX to test its products on. For reference, the Georgia plant employs over 3,000 people and has annual production capacity of over 300K vehicles. The engagement includes construction support and HSE (health, safety, and environmental) services, where FCLX will provide risk assessment, fire protection engineering, and safety protocols designed to protect personnel, assets, and surrounding environments. The order validates the product and allows FCL-X to become integrated into Kia's operations, something which can be repeatable to other automakers and other industries. There was not a dollar figure or term placed on the deal, but we already expect major growth in our model for FY27. For FY27, we are now modelling revenue of \$3.1M, representing 241% YoY growth alongside 62% gross margins.

Q3 Financial Highlights

On September 28th, FCLX reported Q3/26 results (ending July 31st), with revenue of \$0.2M coming in ahead of our \$0.1M estimate and up 264% YoY, driven by higher online sales following the Company's first major U.S. retail launch in May. Gross margin came in at 29%, and Adj. EBITDA of (\$0.7M) was in line with our estimate, while the net loss of (\$0.8M) was slightly better than our (\$0.9M) estimate. The Company also built inventory to \$0.6M (vs. \$0.1M at fiscal year-end) ahead of its retail rollout. FCLX ended the quarter with \$3.0M in cash and no debt, or \$3.7M pro forma the second tranche of its private placement (see more information below).

Private Placement Closed

On August 14th, the Company closed the second and final tranche of its non-brokered private placement, issuing 4.28M units at C\$0.40/unit for gross proceeds of C\$1.71M. Combined with the first tranche, which closed in July, FCLX issued a total of 12.85M units for proceeds of C\$5.14M, above the initially announced C\$5.0M. Each unit consists of one common share and one-half of a warrant exercisable at C\$0.70 for 18 months, subject to an acceleration provision if shares trade at or above C\$1.20 for ten consecutive trading days.

Catalysts

- Quarterly Financial Results & Sales Partnerships – Ongoing
- Takeout Target – Ongoing



Figure 1: Kia Georgia Plant (Source: Kia Media)

NASCAR Partnership with Joey Gase Motorsports

On August 20th, FCLX announced a strategic multi-race partnership with Joey Gase Motorsports for the 2026 NASCAR season. The program is set to begin with the Winn-Dixie 250 at Daytona International Speedway on August 28th, with FCL-X serving as the primary sponsor of a Joey Gase Motorsports entry and featuring full-car FCL-X branding, custom-branded team apparel, and an at-track hospitality presence. The partnership will continue at Charlotte Motor Speedway on October 10th, where FCL-X will serve as associate sponsor, and Talladega Superspeedway on October 24th, where FCL-X will return as primary sponsor. The Daytona program will extend beyond the speedway with an ACE Hardware retail activation on August 26th, featuring the public unveiling of the FCL-X race car and a meet-and-greet with Joey Gase. The activation will give FCLX an opportunity to connect the national motorsports partnership with its expanding retail presence, providing a setting for product education, customer engagement, retailer support, media coverage, and original marketing content leading into race night.

Why We Like FCLX

- FCL-X has delivered strong performance in rigorous independent testing, extinguishing LIB fires much faster than its peers while using considerably less solution and is environmentally safe.
- FCLX is rapidly building a robust, multi-channel sales network for FCL-X, including fire departments, EV and battery manufacturers, energy storage systems, airlines, ocean shipping, and retail, amongst others.
- LIB fires are becoming more prevalent due to the global proliferation of LIBs, where demand is expected to 3-5x over the next decade.
- FCLX is backed by proven leadership with experience in fire safety and lithium chemistry. FCLX is led by Carlos Vicens and Paul Fornazzari, who previously built Neo Lithium and sold it to Zijin Mining for C\$960M.

Tear Sheet

Market Data

Ticker	FCLX:TSXV
Stock Price	C\$0.36
Rating	BUY
Target Price	\$0.60
Upside	69%
Market Cap (\$M)	\$29.6
Cash (\$M)	\$3.7
Debt (\$M)	\$0.0
EV (\$M)	\$25.8

Capital Structure

Basic Shares Outstanding (M)	115.1
Warrants (M)	18.5
Options (M)	9.6
FD Shares (M)	143.3
FD ITM Shares (M)	118.1

Ownership

Management & Board	15%
Institutions	5%
Retail	80%

Financial Estimates

	FY24A	Q1/25A	Q2/25A	Q3/25A	Q4/25A	FY25A	Q1/26A	Q2/26A	Q3/26A	Q4/26E	FY26E	FY27E
Revenue (\$M)	0.0	0.4	0.2	0.0	0.1	0.7	0.0	0.1	0.2	0.6	0.9	3.1
% YoY	N/A	N/A	N/A	N/A	N/A	6847%	-87%	-49%	264%	884%	31%	241%
Gross Profit (\$M)	0.0	0.2	0.1	(0.0)	(0.0)	0.3	0.0	0.1	0.0	0.4	0.5	1.9
Gross Margin	80%	63%	58%	-76%	-71%	41%	33%	52%	29%	60%	52%	62%
Adj. EBITDA (\$M)	(2.9)	(0.2)	(0.4)	(0.5)	(0.9)	(2.1)	(0.8)	(0.8)	(0.7)	(0.5)	(2.7)	(3.0)
Net Income (\$M)	(3.8)	(0.3)	(0.6)	(0.7)	(1.4)	(3.0)	(0.9)	(0.9)	(0.8)	(0.6)	(3.3)	(3.6)
EPS (Basic)	(0.05)	0.00	(0.01)	(0.01)	(0.02)	(0.04)	(0.01)	(0.01)	(0.01)	(0.01)	(0.04)	(0.05)

Figure 2: Tear Sheet

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HOLD: The stock is expected to generate returns of 0-20% over the next 24 months.

SELL: The stock is expected to generate negative returns over the next 24 months.

NOT RATED (N/R): Atrium does not provide research coverage on the respective company.

COVERED COMPANIES

58

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