Parabolic Technologies, Inc. Reports Third Quarter 2026 Financial Results

November 16, 2026

Revenue Up 106% Sequentially to $4.7 Million with ConnectAndSell Acquisition; Path to Cash Flow Breakeven in Q1 2027; Subsequent Public Offering Proceeds Used to Repay $11.6 Million of Debt Ahead of Schedule

Management to Host Third Quarter 2026 Results Conference Call Today, November 16, 2026 at 4:30 p.m. Eastern Time

SEATTLE, Nov. 16, 2026 (GLOBE NEWSWIRE) -- Parabolic Technologies, Inc. (Nasdaq: PARA) ("Parabolic" or the "Company"), a leading AI-powered agentic applications technology company, today reported financial results for the third quarter ended September 30, 2026.

Third Quarter 2026 and Subsequent Key Financial & Operational Highlights

- In November, the Company closed its public offering and deployed the $12.1 million proceeds (after underwriting discounts and offering fees) primarily to pay off $11.6 million in debt obligations ahead of schedule and retire a significant number of outstanding warrants. We also paid down $0.6 million in term debt, bringing total debt reduction to $12.2 million. Net debt is now at an all-time low of $4.7 million. The Company believes it now has sufficient operating cash to meet all its short-term needs.
- Revenue was $4.7 million for Q3 2026, an increase of 106% compared to $2.3 million for Q2 2026. Third quarter revenue reflects top-line expansion from the ConnectAndSell platform integration, marking the first quarter of financial contributions from this business unit.
- Gross profit was $3.7 million for Q3 2026, an increase of $1.9 million compared to Q2 2026. Gross margin was 79.8% for Q3 2026 compared to 80.2% in Q2 2026.
- Net Loss for Q3 2026 was $6.4 million, compared to Q2 2026 Net Loss of $5.0 million.
- Q3 2026 Adjusted EBITDA Loss increased to $2.2 million, compared to an Adjusted EBITDA Loss of $1.7 million in Q2 2026.
- Net debt increased by $3.6 million compared to December 31, 2025, partially due to ConnectAndSell acquisition-related financing and bridge financing prior to completing the public offering.
- Stockholders' Equity increased to an all-time high of $14.4 million as of September 30, 2026; we raised $9.6 million of equity, converted $7.4 million of debt to equity, and issued $5.9 million in equity related to the ConnectAndSell acquisition since December 31, 2025.
- Customer base includes over 150,000 total customers who have purchased or subscribed to Parabolic products.

"The third quarter was a turning point for the scale of our business. With ConnectAndSell contributing for the first time, revenue more than doubled sequentially to $4.7 million at a gross margin of approximately 80%. In November, we closed our public offering and used the proceeds primarily to repay $11.6 million of debt ahead of schedule and retire a significant number of outstanding warrants. That puts us on much firmer financial footing and lets us shift our attention to investing in our sales pipeline, where we are seeing improving leading indicators. We are also making further cost reductions that we expect will meaningfully lower operating expenses within this calendar year," said Joe Davy, Founder and CEO of Parabolic.

Third Quarter 2026 Financial Results

Total revenue for the three months ended September 30, 2026 increased $1.8 million to $4.7 million compared to the prior year quarter, primarily driven by the addition of ConnectAndSell, which contributed $2.5 million during the quarter. The revenue increase was partially offset by higher churn in our other products in the current year quarter compared to the prior year quarter. On a sequential basis, total revenue for the three months ended September 30, 2026 increased 106.1% compared to the three months ended June 30, 2026, primarily driven by the addition of ConnectAndSell.

Total cost of revenue for the three months ended September 30, 2026 was $0.9 million, compared to $0.5 million in the prior year quarter, an increase of 82.1%. On a sequential basis, total cost of revenue increased by $0.5 million, or 110.4% compared to the three months ended June 30, 2026. Both increases were primarily driven by the addition of ConnectAndSell.

Gross profit for the three months ended September 30, 2026 was $3.7 million, compared to $2.3 million in the prior year quarter. Gross margin was 79.8% in third quarter 2026 compared to 81.7% in third quarter 2025. On a sequential basis, gross profit increased by $1.9 million from $1.8 million for the three months ended June 30, 2026. Gross margin was 80.2% in second quarter 2026.

Total operating expenses for the three months ended September 30, 2026 were $7.9 million, compared to $6.8 million in the prior year quarter. Of the increase, ConnectAndSell added $2.3 million in operating expenses, primarily in people expenses, which was partially offset by lower operating expenses due to cost reduction efforts primarily in professional fees and sales and marketing expenses. On a sequential basis, total operating expenses increased $1.7 million from $6.2 million in the three months ended June 30, 2026. Of the increase, ConnectAndSell added $2.3 million in operating expenses, primarily in people expenses, which was partially offset by lower operating expenses due to cost reduction efforts primarily in professional fees and sales and marketing expenses.

Net loss for three months ended September 30, 2026 was $6.4 million. Q3 2025 Net Loss of $5.9 million included a one-time gain of $1.0 million related to the release of a revenue holdback from the Vidello acquisition. Adjusting for this one-time gain, Q3 2025 net loss would have been $6.9 million, compared to $6.4 million for Q3 2026.

On a sequential basis, Q2 2026 net loss of $5.0 million included a one-time gain of $0.7 million related to the extinguishment of liabilities. Adjusting for

this one-time gain, Q2 2026 net loss would have been $5.7 million. The increase in net loss was driven by other (income) expense items, primarily loss on debt and private placement issuance.

Adjusted EBITDA loss for the three months ended September 30, 2026 remained flat at $2.2 million, compared to an Adjusted EBITDA loss of $2.2 million in the prior year quarter. On a sequential basis, Adjusted EBITDA loss for the three months ended September 30, 2026 increased by $0.5 million from $1.7 million in second quarter 2026.

Year to Date Financial Results

Total revenue for the nine months ended September 30, 2026 increased 3.2% to $9.7 million compared to the prior year period. Of the increase, ConnectAndSell added $2.5 million, which was partially offset by decreases in our other products.

Total cost of revenue for the nine months ended September 30, 2026 was $1.9 million, compared to $1.7 million in the prior year period, an increase of 14.2%. Of the increase, ConnectAndSell added $0.5 million, which was partially offset by decreases in our other products as a result of cost reduction initiatives.

Gross profit for the nine months ended September 30, 2026, was $7.7 million, compared to $7.7 million in the prior year period. Gross margin was 80.1% for the nine months ended September 30, 2026, compared to 82.0% in the prior year period.

Total operating expenses for the nine months ended September 30, 2026 were $22.1 million, compared to $21.8 million in the prior year period. Of the increase, ConnectAndSell added $2.3 million in operating expenses, primarily in people expenses, which was partially offset by lower operating expenses due to cost reduction efforts primarily in professional fees and technology expenses.

Net loss for the nine months ended September 30, 2026 was $19.8 million, compared to $17.5 million in the prior year period. Both periods included non-cash gains related to a negotiated reduction of liabilities, and the prior year period included a one-time gain of $1.0 million related to the release of a revenue holdback from the Vidello acquisition, and one-time costs of $1.4 million related to a failed acquisition. Adjusting for these items, year to date Q3 2026 net loss would have been $20.5 million compared to $21.5 million for year to date Q3 2025.

Adjusted EBITDA loss for the nine months ended September 30, 2026, was $5.8 million, compared to Adjusted EBITDA loss of $5.6 million for the prior year period.

Net cash used in operating activities for the nine months ended September 30, 2026, was $14.4 million, compared to $13.4 million for the nine months ended September 30, 2025.

Cash totaled $0.2 million as of September 30, 2026, compared to $0.3 million as of December 31, 2025.

During the nine months ended September 30, 2026, we continued to fund our operations through a combination of equity and debt financings, and most notably, we closed additional tranches of convertible debt for acquisition-related and bridge financing, totaling approximately $10.3 million, and raised an additional $9.6 million of equity.

Management has continued to strengthen the balance sheet in line with our strategic priorities. Stockholder's Equity increased to $14.4 million as of September 30, 2026.

2026 and 2027 Outlook

We expect the addition of the ConnectAndSell business will approximately double the company's revenue, on an annualized basis. Full year effect of this acquisition will be realized in 2027.

Combined with cost reduction actions, Management expects the results of operations, excluding non-cash expenses, to break even on a run-rate basis in Q1 2027, and consistently generate positive cash flow starting during Q2 2027 and continuing throughout the year.

Third Quarter 2026 Results Conference Call

Parabolic Founder and CEO Joe Davy and CFO Dean Ditto will host the conference call, followed by a question-and-answer session. The conference call will be accompanied by a presentation, which can be viewed during the webcast or accessed via the investor relations section of the Company's website here.

To access the call, please use the following information:

Date:	November 16, 2026,
Time:	4:30 p.m. Eastern Time (1:30 p.m. Pacific Time)
Webcast Registration:	Parabolic Q3 2026 Financial Results Conference Call

A replay of the webcast and the presentation utilized during the call will be available in the Company's investor relations website here.

Note About Non-GAAP Financial Measure

Adjusted EBITDA

In addition to our results determined in accordance with U.S. GAAP, we believe that Adjusted EBITDA, a non-GAAP measure as defined below, is useful in evaluating our operational performance distinct and apart from certain irregular, non-cash, and non-operational expenses. We use this information for ongoing evaluation of operations and for internal planning purposes. We believe that non-GAAP financial information, when taken collectively with results under GAAP, may be helpful to investors in assessing our operating performance and comparing our performance with competitors and other comparable companies.

Non-GAAP measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. We endeavor to compensate for the limitation of Adjusted EBITDA, by also providing the most directly comparable GAAP measure, which is net loss, and a description of the reconciling items and adjustments to derive the non-GAAP measure.

Adjusted EBITDA should only be considered alongside results prepared in accordance with GAAP, including various cash-flow metrics, net income (loss) and our other GAAP results and financial performance measures.

PARABOLIC TECHNOLOGIES, INC.
Net Income (Loss) to Adjusted EBITDA Reconciliation
(Unaudited, in thousands)

	Nine Months Ended September 30,		Period-over-Period	
	2026	2025	$	%
Net loss	$ (19,818)	$ (17,460)	$ (2,358)	(13.5%)
Interest income	(7)	(1)	(6)	(600.0%)
Interest expense	456	—	(456)	NM
Interest expense – related party	587	1,289	702	54.5%
Income tax expense (benefit)	(213)	113	326	288.5%
Depreciation and amortization expense	1,108	841	(267)	(31.7%)
Stock based compensation	3,020	1,757	(1,263)	(71.9%)
Gain on extinguishment of liabilities	(715)	(4,489)	3,774	84.1%
Gain on release of Vidello revenue holdback	—	(973)	973	100.0%
Loss on debt issuance, net	1,335	700	(635)	(90.7%)
Loss on Private Placement Issuance	2,812	2,276	(536)	(23.6%)
Loss on extinguishment of debt, net	58	1,770	1,712	96.7%
Change in fair value of financial instruments, net	(136)	528	664	125.8%
Change in fair value of financial instruments – related party	163	52	(111)	(213.5%)
Change in fair value of convertible notes	(458)	(265)	193	72.8%
Loss on Yorkville SEPA advances	254	938	684	72.9%
Vidello earnout expense	—	486	486	100.0%
Failed acquisition costs	—	1,382	1,382	100.0%
Other (income) expense, net	1,351	(523)	(1,874)	(358.3%)
Transaction related expenses	4,414	5,947	1,533	25.8%
Adjusted EBITDA	$ (5,789)	$ (5,632)	$ (157)	(2.8%)

About Parabolic

Parabolic builds agentic applications that power the future of business. We believe that the future of enterprise software will be agentic applications that are net-beneficiaries of AI transformation, and we focus on building, acquiring, and investing in those and related businesses. We have over 150,000 customers including Amazon, Dell, Salesforce, Aflac, Thermo Fisher Scientific, RBC Wealth Management, and Fitch Group. Learn more at www.parabolic.io. For investors, please visit ir.parabolic.io.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often use words such as “believe,” “may,” “will,” “estimate,” “target,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “propose,” “plan,” “project,” “forecast,” “predict,” “potential,” “seek,” “future,” “outlook,” and similar variations and expressions. Forward-looking statements are those that do not relate strictly to historical or current facts. Examples of forward-looking statements may include, among others, statements regarding Parabolic Technologies, Inc.’s (“Parabolic's”, "the Company’s”): future financial, business and operating performance and goals; annualized recurring revenue and customer retention; ongoing, future or ability to maintain or improve its financial position, cash flows, and liquidity and its expected financial needs; potential financing and ability to obtain financing; acquisition strategy and proposed acquisitions and, if completed, their potential success and financial contributions; strategy and strategic goals, including being able to capitalize on opportunities; expectations relating to the Company’s industry, outlook and market trends; total addressable market and serviceable addressable market and related projections; plans, strategies and expectations for retaining existing or acquiring new customers, increasing revenue and executing growth initiatives; and product areas of focus and additional products that may be sold in the future. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Forward-looking statements are not guarantees of future performance, and our actual results of operations, financial condition and liquidity and development of the industry in which the Company operates may differ materially from those made in or suggested by the forward-looking statements. Therefore, investors should not rely on any of these forward-looking statements. Factors that may cause actual results to differ materially include changes in the markets in which the Company operates, customer demand, the financial markets, economic, business and regulatory and other factors, such as the Company’s ability to execute on its strategy. More detailed information about risk factors can be found in the Company’s Annual Report on Form 10-K and the Company’s Quarterly Reports on Form 10-Q under the heading “Risk Factors,” and in other reports filed by the Company, including reports on Form 8-K. The Company does not undertake any duty to update forward-looking statements after the date of this press release.

Investor Relations
Dean Ditto
Chief Financial Officer
206 414-1777
ir.parabolic.io

Media
Paul Witkowski
Senior Director Financial Reporting
media@parabolic.io

PARABOLIC TECHNOLOGIES, INC.
Condensed Consolidated Balance Sheets
(in thousands)

	As of	
	September 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash	$ 158	$ 259
Accounts receivable, net	1,322	709
Prepaid expenses and other current assets	1,051	445
Total current assets	2,531	1,413
Property and equipment, net	14	8
Intangible assets, net	12,565	8,027
Goodwill	34,655	21,992
Operating lease right-of-use assets	34	56
Bifurcated embedded derivative asset – related party	—	9
Deferred offering costs	32	122
Other assets	4	4
Total assets	49,835	31,631
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	3,388	2,494
Accrued expenses and other current liabilities	8,144	4,354
Convertible notes – related party	4,943	4,923
Convertible notes, carried at fair value	3,207	1,856
Convertible notes (Yorkville)	—	1,200
Other notes payable	2,077	-
Notes payable, carried at fair value	3,921	2,591
Private placement warrant liability	1,271	296
Financial instruments – related party	154	—
Earnout liability	372	991
Deferred revenue	6,789	3,642
Operating lease liabilities, current	32	23
Total current liabilities	34,298	22,370
Deferred revenue, non-current	234	94
Deferred tax liability	865	1,078
Operating lease liabilities, non-current	3	34
Total liabilities	35,400	23,576
Stockholders' equity:		
Common stock	—	—
Additional paid-in capital	135,094	108,912
Accumulated other comprehensive (loss) income	(69)	(85)
Accumulated deficit	(120,590)	(100,772)
Stockholders' equity	14,435	8,055
Total liabilities and stockholders' equity	$ 49,835	$ 31,631

PARABOLIC TECHNOLOGIES, INC.
Unaudited Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating income:				
Revenue	$ 4,685	$ 2,845	$ 9,654	$ 9,351
Cost of revenue	947	520	1,918	1,680
Gross profit	3,738	2,325	7,736	7,671
Operating expenses:				
General and administrative expenses	7,403	6,461	20,959	21,007
Depreciation and amortization expense	500	294	1,108	841
Total operating expenses	7,903	6,755	22,067	21,848
Operating loss	(4,165)	(4,430)	(14,331)	(14,177)
Other expenses (income):				

Interest income	(1)	(1)	(7)	(1)
Interest expense	318	—	456	—
Interest expense – related party	191	394	587	1,289
Gain on extinguishment of liabilities	—	—	(715)	(4,489)
Gain on release of Vidello revenue holdback	—	(973)	—	(973)
Loss on debt issuance	1,127	257	1,335	700
Loss on Private Placement Issuance	1,214	1,439	2,812	2,276
Loss on extinguishment of debt, net	—	—	58	1,770
Change in fair value of financial instruments	(1,315)	262	(136)	528
Change in fair value of financial instruments – related party	120	(12)	163	52
Change in fair value of convertible notes	93	(503)	(458)	(265)
Loss on Yorkville SEPA advances	27	191	254	938
Vidello earnout expense	—	69	—	486
Failed acquisition costs	—	—	—	1,382
Other (income) expense, net	577	65	1,351	(523)
Total other expenses, net	2,351	1,188	5,700	3,170
Loss before income taxes	(6,516)	(5,618)	(20,031)	(17,347)
Income tax expense (benefit)	(80)	270	(213)	113
Net loss	$ (6,436)	$ (5,888)	$ (19,818)	$ (17,460)
Net loss attributable to common shareholders	(6,436)	(5,888)	(19,818)	(17,460)
Net loss per share attributable to common shareholders				
Basic and diluted	$ (17.78)	$ (327.11)	$ (99.09)	$ (1,587.27)
Weighted average common shares outstanding (in thousands)				
Basic and diluted	362	18	200	11

PARABOLIC TECHNOLOGIES, INC.
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	For the Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (19,818)	$ (17,460)
Adjustments to reconcile net loss to net cash used in operating activities:	—	—
Depreciation and amortization expense	1,108	841
Provision for credit losses on accounts receivable	69	81
Non-cash shares issued for consulting expenses	—	974
Discount at issuance on notes carried at fair value	—	1,088
Non-cash interest expense	469	—
Non-cash interest expense - related party	587	951
Amortization of debt discount and issuance costs - related party	—	(3)
Amortization of operating lease right-of-use assets	22	17
Stock based compensation expense	3,020	1,757
Gain on release of Vidello revenue holdback	—	(973)
Gain on extinguishment of liability	(715)	(4,489)
Loss on debt issuance	1,335	700
Loss on Private Placement Issuance	2,812	2,276
Loss on extinguishment of debt, net	58	1,770
Change in fair value of financial instruments	(136)	528
Change in fair value of financial instruments – related party	163	52
Change in fair value of convertible notes, carried at fair value	(458)	(265)
Changes in operating assets and liabilities:		
Accounts receivable	(682)	51
Prepaid expenses and other current assets	(397)	38
Accounts payable	894	(876)
Deferred revenue	(2,156)	(675)
Accrued expenses	481	(248)
Operating lease liabilities	(22)	(17)
Earnout liability	(989)	560
Deferred revenue – long-term	140	(24)
Deferred tax liability	(213)	(70)

Net cash used in operating activities	(14,428)	(13,416)
Cash flows from investing activities:		
Cash paid for acquisition of ConnectAndSell	(1,350)	—
Cash paid for acquisition of Vidello	—	(2,677)
Net cash used in investing activities	(1,350)	(2,677)
Cash flows from financing activities:		
Payment of GEM commitment fee promissory note	—	(215)
Payment of Vidello transition holdback	—	(500)
Repayment of convertible notes (Yorkville)	(1,218)	(3,640)
Repayment of related party advance	—	(100)
Proceeds from term notes, net of issuance costs	5,172	4,250
Repayment of term notes	(2,735)	(7,722)
Repayments of private placement notes	(484)	(1,292)
Partial repayment of convertible notes - related party	—	(2,841)
Proceeds from issuance of convertible notes, net of issuance costs	5,121	9,039
Proceeds from issuance of shares to Yorkville under the SEPA	6,168	17,692
Proceeds from shares issued to Verista	36	50
Payment of deferred offering costs – ATM	—	(238)
Proceeds from issuance of common stock to CEO	81	—
Proceeds from issuance of common stock and pre-funded warrants under private placement	—	330
Proceeds from issuance of common stock and warrants	3,513	1,115
Net cash provided by financing activities	15,654	15,928
Effect of exchange rate changes on cash and cash equivalents	23	(71)
Net decrease in cash	(101)	(236)
Cash at beginning of period	259	1,087
Cash at end of period	$ 158	$ 851



Parabolic

Source: Parabolic Technologies, Inc.