

HeartCore Enterprises, Inc.

(HTCR) (NASDAQ)

NR

Risk Rating: H

Price: \$1.52

Highlight HTCR's CXM Expansion, Go IPO Challenges, And Financial Strength As We Enter 2025

Aashi Shah
(212) 453-7026
(ashah@sidoti.com)

Key Statistics

Market Cap (Mil)	\$29
Enterprise Value (Mil)	\$25
52-Week Range	0.46-3.38
5-Year EPS CAGR	NA
Avg. Daily Trading Volume	366,190
Shares Out (Mil)	20.864
Float Shares (Mil)	5.134
Insider Ownership	75%
Institutional Holdings	25%
Date of IPO	02/11/22
Price of IPO	\$5.06
FCF Per Share (2026E)	\$0.12
FCF Yield (2026E)	9.6%
Net Cash Per Share (2026E)	\$0.09
Price to Book Value	11.0x
Return on Equity (2026E)	NM
Total Debt to Capital	74%
Interest Coverage Ratio	NM
Russell 2000	2285
Russell 2000 – Last 12 Months	13.59%
HTCR – Last 12 Months	172.9%

Auditor – MaloneBailey, LLP

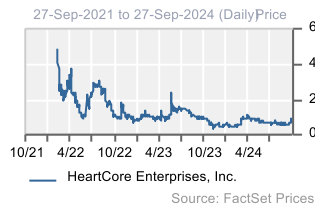
COMPANY DESCRIPTION

HeartCore Enterprises, Inc. (HTCR), with headquarters in Japan, provides expertise in software as a service (SaaS) solutions to large enterprises and government clients locally and globally. The company has a customer experience management platform and a digital transformation business. The company also provides consulting services to companies based in Japan to help them list on U.S. exchanges. To date, the company has signed 14 clients, four of which have completed initial offerings.

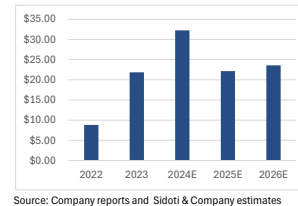
EPS ESTIMATES

	2023	2024E	2025E		2026E	
			OLD	NEW	OLD	NEW
Mar.	\$0.10	(\$0.06)A	(\$0.01)			\$0.00
June	(0.04)	(0.09)A	(0.01)			\$0.00
Sep.	(0.11)	0.53A	0.03			\$0.02
Dec.	(0.14)	0.02	0.04			\$0.02
EPS	(\$0.21)	\$0.39	\$0.05			\$0.04
P/E		3.9x	30.4x			38.0x

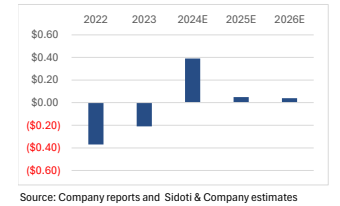
Price Chart



Rev. (Mil.)



GAAP EPS



INVESTMENT SUMMARY

- In 2025, we estimate 20% year-over-year revenue growth in the customer experience management (CXM) segment, driven by HeartCore's transition to a software as a service (SaaS) model and multiyear licensing agreement. We believe the SaaS model offers scalability, flexibility, and advanced functionalities to clients without requiring extensive technical expertise.
- We believe collaboration with Amazon Web Solutions (AWS) will enable critical Content Management System (CMS) upgrades, including a redesigned user interface and enhanced management tools, broadening the addressable market and creating a steady stream of recurring revenue for long-term CXM growth.
- We believe proactive client engagement strategies (e.g., Health Check) strengthen customer relationships, optimize CMS usage, and create new revenue streams through consulting services and cross-selling opportunities.
- We estimate an 82% decline in Go IPO revenue in 2025 due to a tough comparison. and a lack of new deals. However, the company projects four signed companies will go public in early 2025, suggesting a potential rebound. once regulatory hurdles ease.
- As of September 30, 2024, HeartCore's net working capital increased to \$5.7 million, reversing the previous quarter's negative position and improving the company's current ratio to 1.9, up from 0.7 in the prior quarter.
- Overall, we estimate \$22.2 million in revenue for 2025, down 31%, driven by tough comparisons in the consulting business, partially offset by continued growth in the CXM business. We maintain our EPS estimate of \$0.05.

Enhancing the CXM platform through SaaS expansion and strategic licensing. HeartCore's recent initiatives to expand the CMS platform into a SaaS delivery model, combined with a shift toward multiyear licensing agreements, are set to significantly enhance the CXM line. We estimate CXM revenue grows 20% in 2025, driven by the scalability and flexibility of the SaaS model. HeartCore's clients can access advanced CMS functionalities without requiring extensive technical expertise. We expect these initiatives to bring new growth opportunities for HTCR from its existing clients. In addition, the partnership with AWS has enabled critical upgrades, such as a redesigned user interface and enhanced management tools, ensuring seamless site management for clients. This strategic transition not only broadens the addressable market but also establishes a steady stream of recurring revenue, positioning the CXM line for long-term growth.

Investments in customer success and cross-selling opportunities further strengthen the CXM line in addition to expanding HeartCore's market opportunities. The introduction of the "Health Check" program facilitates personalized consultations, system optimizations, and feedback-driven enhancements, ensuring the CMS platform aligns with evolving client needs. By proactively engaging clients and offering complementary solutions such as consulting services, the company is fostering deeper relationships and unlocking new revenue streams. We expect these initiatives, coupled with a strong customer retention rate, to drive sustainable financial growth and solidify the CXM line's role as a cornerstone of the software business.

Navigating Go IPO revenue decline and future growth prospects. For 2025, we estimate an 82% year-over-year decline in Go IPO revenue due to a tough comparison and a lack of recently signed deals. Despite this, HTCR's CEO highlighted a strong pipeline during our November micro-cap conference, indicating the potential for four additional contracts to close out 2024. However, these deals have likely been pushed into the first half of 2025 due to stricter SEC regulations and unpredictable audit timelines. HeartCore has taken four companies public, with two beginning trading in 3Q:24. In addition, HTCR has four already signed companies that it expects to go public in early 2025. While the near-term revenue outlook for Go IPO remains challenged, the pending deals suggest a potential rebound once regulatory hurdles are cleared and audit processes are completed.

Go IPO listings strengthened HTCR's financial position and liquidity. As of September 30, 2024, HeartCore had \$7.3 million in marketable securities and warrants from its Go IPO clients, which are either held as investment or sold as a source of capital. In addition, it had \$1.2 million in cash and cash equivalents and \$770,000 in net accounts receivable. Total debt was approximately \$1.8 million, \$1.4 million of which was classified as long-term debt. Due to the NASDAQ listing of two companies in 3Q:24, HeartCore's net working capital increased to \$5.7 million, reversing the previous quarter's negative position and improving the company's current ratio to 1.9, up from 0.7 in the prior quarter.

Looking at the income statement as we head into 2025 and establishing 2026 estimates. For 2025, we estimate \$22.2 million in revenue for the year, down 31%, driven by tough comparisons in the consulting business, partially offset by growth in the CXM business. We estimate \$19.2 million in revenue from the software segment, which would equate to three consecutive years of double-digit growth. We maintain our 2025 EPS estimate of \$0.05. For 2026, we now estimate revenue of \$23.6 million (up 6%), with EPS of \$0.04, reflecting persistent growth in the Software segment. Our estimate is a base case scenario where we assume continued growth on the CXM platform and no new deals are signed or additional companies begin to trade on NASDAQ. However, any new deals could provide upside potential to our revenue estimates.

Overall, we view HTCR as having a higher risk profile given the nature of its business; but this risk also comes with potentially higher rewards. HeartCore's revenue is highly influenced by exchange rates, with 60% of revenue generated by its Japanese subsidiary. In addition, the company operates in the highly competitive and fragmented digital transformation market, which could affect its ability to sustain growth in its software franchise. Also, the surge in companies seeking Nasdaq listings has slowed significantly in 2024. As with any capital markets related business, this operating environment is highly cyclical by nature. Also, HTCR's long-term success with Go IPO is inherently tied to its ability to secure relationships with enterprises that are themselves successful and season well in the public markets.

HEARTCORE ENTERPRISES, INC.

HeartCore Enterprises

Income Statement

US\$ in thousands

	Quarterly Earnings												Annual Earnings				'23-'26 CAGR
	31-Mar 1Q24A	30-Jun 2Q24A	30-Sep 3Q24A	31-Dec 4Q24E	31-Mar 1Q25E	30-Jun 2Q25E	30-Sep 3Q25E	31-Dec 4Q25E	31-Mar 1Q26E	30-Jun 2Q26E	30-Sep 3Q26E	31-Dec 4Q26E	31-Dec 2023A	31-Dec 2024E	31-Dec 2025E	31-Dec 2026E	
Revenue	\$ 5,047	\$ 4,066	\$ 17,850	\$ 5,294	\$ 5,514	\$ 5,254	\$ 5,637	\$ 5,757	\$ 5,888	\$ 5,593	\$ 5,957	\$ 6,157	\$ 21,846	\$ 32,258	\$ 22,162	\$ 23,595	3%
Cost of sales	3,015	3,261	3,433	2,912	3,308	3,415	2,931	3,051	3,533	3,300	3,376	3,386	13,778	12,620	12,706	13,594	
Gross profit	2,032	806	14,417	2,382	2,205	1,839	2,706	2,706	2,355	2,293	2,582	2,771	8,067	19,638	9,456	10,000	
Sales and marketing expenses	220	179	243	159	386	368	169	173	334	317	258	239	1,516	801	1,096	1,148	
General and administrative expenses	2,406	2,022	1,967	2,012	2,205	1,944	2,086	1,842	2,257	2,125	2,105	2,203	9,651	8,407	8,077	8,690	
Research and development expenses	89	111	108	90	110	105	113	115	112	112	119	121	1,019	398	443	464	
Total operating expenses	2,715	2,313	2,317	2,261	2,702	2,417	2,368	2,130	2,703	2,554	2,482	2,563	12,187	9,606	9,616	10,302	-5%
Operating Profit/ (Loss)	-683	-1,507	12,100	122	-496	-578	338	576	-347	-261	99	207	-4,119	10,032	-160	-302	
Change in fair value of investments in marketable securities	-234	-196	122	122	122	122	122	122	122	122	122	122	-616	-186	489	489	
Interest income	3	2	11	11	11	11	11	11	11	11	11	11	71	26	44	44	
Interest expenses	-37	-37	-31	-31	-31	-31	-31	-31	-31	-31	-31	-31	-163	-136	-126	-126	
Government grants	0	0	0	0	0	0	0	0	0	0	0	0	77	0	0	0	
Other income	97	38	24	24	24	24	24	24	24	24	24	24	366	183	96	96	
Other expenses	-25	-24	-82	-82	-82	-82	-82	-82	-82	-82	-82	-82	-125	-214	-330	-330	
Total other income (expenses)	-875	-776	-1,058	43	43	43	43	43	44	45	46	47	-891	-2,666	174	184	
Earnings before Tax	-1,558	-2,283	11,042	165	-453	-535	382	619	-303	-216	146	255	-5,010	7,366	13	-118	
Income tax expense (benefit)	-80	-72	225	20	20	20	20	20	20	20	20	20	-134	93	80	80	
Income tax rate	NA	NA	2%										NA				
Net Income (Loss)	-1,478	-2,211	10,817	145	-473	-555	362	599	-323	-236	126	235	-4,877	7,273	-67	-198	
Net loss attributable to non-controlling interests	-145	-260	-241	-260	-260	-260	-260	-260	-260	-260	-260	-260	-687	-906	-1,040	-1,040	
Net Income (Loss) attributable to HTCR	\$ (1,333)	\$ (1,951)	\$ 11,058	\$ 405	\$ (213)	\$ (295)	\$ 622	\$ 859	\$ (63)	\$ 24	\$ 386	\$ 495	\$ (4,190)	\$ 8,179	\$ 973	\$ 842	
EPS attributable to HTCR	\$ (0.06)	\$ (0.09)	\$ 0.53	\$ 0.02	\$ (0.01)	\$ (0.01)	\$ 0.03	\$ 0.04	\$ (0.00)	\$ 0.00	\$ 0.02	\$ 0.02	\$ (0.21)	\$ 0.39	\$ 0.05	\$ 0.04	
Diluted S/O	20,855	20,864	20,864	20,864	20,864	20,864	20,864	20,864	20,864	20,864	20,864	20,864	20,405	20,862	20,864	20,864	
Margin Analysis																	
Gross Margin	40%	20%	81%	45%	40%	35%	48%	47%	40%	41%	43%	45%	37%	61%	43%	42%	
Operating Margin	NA	NA	68%	2%	NA	NA	6%	10%	NA	NA	2%	3%	NA	31%	NA	NA	
Pretax Margin	NA	NA	62%	3%	NA	NA	7%	11%	NA	NA	2%	4%	NA	23%	0%	NA	
Net Margin	NA	NA	62%	8%	NA	NA	11%	15%	NA	0%	6%	8%	NA	25%	4%	4%	
As a % of Revenue																	
Cost of sales	60%	80%	19%	55%	60%	65%	52%	53%	60%	59%	57%	55%	63%	39%	57%	58%	
Sales & marketing expenses	4%	4%	1%	3%	7%	7%	3%	3%	6%	6%	4%	4%	7%	2%	5%	5%	
General & admin expenses	48%	50%	11%	38%	40%	37%	37%	32%	38%	38%	35%	36%	44%	26%	36%	37%	
Research & development expenses	2%	3%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	5%	1%	2%	2%	
Y/Y Growth																	
Revenue	-42%	-20%	281%	59%	9%	29%	-68%	9%	7%	6%	6%	7%	148%	48%	-31%	6%	
Cost of sales	-3%	-9%	-11%	-10%	10%	5%	-15%	5%	7%	-3%	15%	11%	152%	-8%	1%	7%	
Gross profit	-64%	-47%	1640%	2350%	9%	128%	-81%	14%	7%	25%	-5%	2%	141%	143%	-52%	6%	
Sales and marketing expenses	-61%	-63%	-11%	-14%	76%	105%	-30%	9%	-14%	-14%	53%	39%	-46%	-47%	37%	5%	
General and administrative expenses	-10%	-17%	-9%	-14%	-8%	-4%	6%	-8%	2%	9%	1%	20%	47%	-13%	-4%	8%	
Research and development expenses	12%	181%	-37%	-88%	24%	-6%	5%	28%	1%	6%	6%	5%	59%	-61%	11%	5%	
Total operating expenses	-19%	-22%	-11%	-31%	0%	4%	2%	-6%	0%	6%	5%	20%	21%	-21%	0%	7%	

Source: Company Reports and Sidoti & Co., LLC estimates

HEARTCORE ENTERPRISES, INC.

HeartCore Enterprises**Cash Flow Statement***US\$ in thousands*

	31-Mar 1Q24A	30-Jun 2Q24A	30-Sep 3Q24A	31-Dec 4Q24E	31-Mar 1Q25E	30-Jun 2Q25E	30-Sep 3Q25E	31-Dec 4Q25E	31-Mar 1Q26E	30-Jun 2Q26E	30-Sep 3Q26E	31-Dec 4Q26E	31-Dec 2023A	31-Dec 2024E	31-Dec 2025E	31-Dec 2026E
Cash flows from operating activities																
Net income (loss)	-1,478	-2,211	10,817	145	-473	-555	362	599	-323	-236	126	235	-4,877	7,273	-67	-198
Depreciation and amortization expenses	188	187	187	187	187	187	187	187	187	187	187	187	683	748	747	747
Warrants received as noncash consideration	0	0	-12,970										-3,764	-12,970		
Changes in fair value of investments in marketable securities	234	196	-122										616	308		
Changes in fair value of investments in warrants	679	559	-2,869										501	-1,632		
Marketable Securities received as noncash consideration	0	0	-572										0	-572		
Loss on sale of warrants	0	0	3,971										0	3,971		
Changes in assets and liabilities:																
Accounts receivable	-523	-25	-137	726	-352	-422	936	-324	-267	132	32	-156	-338	40	-162	-259
Prepaid expenses	-3,258	3,416	-230	663	768	-924	-19	-6	244	-176	1	13	359	591	-182	82
Accounts payable and accrued expenses	296	-1	-231	-294	206	227	-247	-480	608	-123	-5	-59	533	-231	-294	420
Accrued payroll and other employee costs	-150	-129	210	-51	79	21	50	-428	357	-54	1	-57	152	-119	-277	247
Operating lease liabilities	-90	-93	-93	0	0	0	0	0	0	0	0	0	-328	-276	0	0
Income tax payables	-2	-150	171	-25	20	5	-83	-27	71	-19	-11	1	162	-7	-85	43
Deferred revenue	-300	465	-370	190	915	120	511	366	-350	-80	300	138	553	-15	1,912	8
Other liabilities	5,061	-4,502	-19										64	540	0	0
Net cash from operating activities	\$741	-\$2,202	-\$2,039	\$1,541	\$1,349	-\$1,341	\$1,697	-\$113	\$543	-\$368	\$631	\$300	-\$4,331	-\$1,959	\$1,593	\$1,106
Cash flows from investing activities																
Purchases of property and equipment	0	-4	0	-50	-50	-50	-50	-50	-50	-50	-50	-50	-526	-54	-200	-200
Proceeds from disposal of PPE	0	-35	35										25	0		
Repayment of loan provided to related party	11	10	10										45	31		
Payment for acquisition of subsidiary, net of cash acquired	0	0	0										-725	0		
Net cash from investing activities	\$11	\$5,261	\$46	-\$50	-\$50	-\$50	-\$50	-\$50	-\$50	-\$50	-\$50	-\$50	-\$1,781	\$5,267	-\$200	-\$200
Cash flows from financing activities																
Payments for finance leases	-4	-4	-4										-22	-13		
Proceeds from short-term & long-term debt	68	0	0										710	68		
Repayment of short-term and long-term debts	-207	-74	-172										-711	-453		
Repayment of insurance premium financing	-15	-45	-47										-389	-107		
Net proceeds from factoring arrangement	0	0	0										563	0		
Net repayment of factoring arrangement	-383	141	-15										0	-257		
Distribution of dividends	0	-417	-417	-417	-417	0	0	0	0	0	0	0	0	-1,252	-417	
Net cash from financing activities	-\$475	-\$399	-\$655	-\$417	-\$417	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$136	-\$1,947	-\$417	\$0
Effect of exchange rate changes	-71	-72	74										-189	-69	0	
Net change in cash and cash equivalents	\$207	\$2,587	-\$2,574	\$1,073	\$882	-\$1,391	\$1,647	-\$163	\$493	-\$418	\$581	\$250	-\$6,165	\$1,293	\$976	\$906
Cash and cash equivalents - beginning of the period	\$1,012	\$1,219	\$3,806	\$1,232	\$2,306	\$3,187	\$1,797	\$3,444	\$3,281	\$3,774	\$3,356	\$3,936	\$7,177	\$1,012	\$2,306	\$3,281
Cash and cash equivalents - end of the period	\$1,219	\$3,806	\$1,232	\$2,306	\$3,187	\$1,797	\$3,444	\$3,281	\$3,774	\$3,356	\$3,936	\$4,187	\$1,012	\$2,306	\$3,281	\$4,187
FCF	\$929	-\$2,011	-\$1,852	\$1,777	\$1,586	-\$1,104	\$1,934	\$124	\$780	-\$132	\$867	\$537	-\$3,122	-\$1,156	\$2,540	\$2,052
FCF per share	\$0.04	-\$0.10	-\$0.09	\$0.09	\$0.08	-\$0.05	\$0.09	\$0.01	\$0.04	-\$0.01	\$0.04	\$0.03	-\$0.15	-\$0.06	\$0.12	\$0.10

Source: Company Reports and Sidoti & Co., LLC estimates

HEARTCORE ENTERPRISES, INC.

HeartCore Enterprises

Balance Sheet

US\$ in thousands

	31-Mar 1Q24A	30-Jun 2Q24A	30-Sep 3Q24A	31-Dec 4Q24E	31-Mar 1Q25E	30-Jun 2Q25E	30-Sep 3Q25E	31-Dec 4Q25E	31-Mar 1Q26E	30-Jun 2Q26E	30-Sep 3Q26E	31-Dec 4Q26E	31-Dec 2023A	31-Dec 2024E	31-Dec 2025E	31-Dec 2026E
Current assets																
Cash and cash equivalents	\$ 1,219	\$ 3,806	\$ 1,232	\$ 2,306	\$ 3,187	\$ 1,797	\$ 3,444	\$ 3,281	\$ 3,774	\$ 3,356	\$ 3,936	\$ 4,187	\$ 1,012	\$ 2,306	\$ 3,281	\$ 4,187
Accounts receivable	3,086	2,441	2,579	1,853	2,205	2,627	1,691	2,015	2,282	2,150	2,118	2,274	2,624	1,853	2,015	2,274
Investments in marketable securities	408	435	7,350	1059	551	1051	282	345	604	577	470	530	642	1,059	345	530
Prepaid expenses	3,942	3,877	769	106	-662	263	282	288	44	220	219	206	537	106	288	206
Current-portion of long term note receivable	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Due from related party	42	40	44	44	44	44	44	44	44	44	44	44	45	44	44	44
Other current assets	223	199	177	177	177	177	177	177	177	177	177	177	235	177	177	177
Total current assets	\$9,021	\$10,900	\$12,251	\$5,644	\$5,604	\$6,059	\$6,020	\$6,251	\$7,025	\$6,624	\$7,064	\$7,518	\$5,495	\$5,644	\$6,251	7,518
Non-current assets																0
Property & equipment, net	689	641	663	427	190	-47	-283	-520	-757	-994	-1,230	-1,467	764	427	-520	-1,467
Operating lease right-of-use assets	2,272	2,106	2,184	2,184	2,184	2,184	2,184	2,184	2,184	2,184	2,184	2,184	2,468	2,184	2,184	2,184
Intangible asset, net	4,356	4,197	4,038	4,038	4,038	4,038	4,038	4,038	4,038	4,038	4,038	4,038	4,516	4,038	4,038	4,038
Goodwill	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276
Long-term investment in equity securities & SAFE	300	300	650	650	650	650	650	650	650	650	650	650	0	650	650	650
Long-term investments in warrants	1,325	543	552	552	552	552	552	552	552	552	552	552	2,004	552	552	552
Long-term note receivable	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Total non-current assets	\$13,309	\$13,176	\$13,221	\$12,218	\$11,981	\$11,744	\$11,508	\$11,271	\$10,143	\$9,907	\$9,670	\$9,433	\$14,129	\$12,218	\$11,271	\$9,433
Total assets	\$22,330	\$24,076	\$25,472	\$17,862	\$17,585	\$17,803	\$17,527	\$17,521	\$17,168	\$16,530	\$16,734	\$16,951	\$19,624	\$17,862	\$17,521	\$16,951
Current liabilities																
Accounts payable and accrued expenses	2,016	1,779	1,809	1,514	1,720	1,947	1,700	1,220	1,828	1,706	1,700	1,641	1,757	1,514	1,220	1,641
Accrued payroll and other employee costs	551	628	634	582	662	683	733	305	662	608	609	552	723	582	305	552
Current portion of long-term debts	447	509	462	462	462	462	0	0	0	0	0	0	372	462	0	0
Insurance premium financing	158	112	65	65	65	65	65	65	65	65	65	65	0	65	65	65
Factoring liability	179	321	305	305	305	305	305	305	305	305	305	305	563	305	305	305
Operating lease liabilities, current	375	358	383	383	383	383	383	383	383	383	383	383	397	383	383	383
Finance lease liabilities, current	17	16	17	17	17	17	17	17	17	17	17	17	17	17	17	17
Income tax payables	150	1	170	146	165	171	88	61	132	113	103	104	163	146	61	104
Deferred revenue	1,792	2,207	1,928	2,118	3,032	3,153	3,664	4,030	3,680	3,600	3,900	4,038	2,166	2,118	4,030	4,038
Other current liabilities	5,268	9,261	757	757	757	757	757	757	757	757	757	757	216	757	757	757
Total current liabilities	\$11,018	\$15,193	\$6,531	\$6,351	\$7,571	\$7,944	\$7,714	\$7,146	\$7,832	\$7,557	\$7,841	\$7,863	\$6,512	\$6,351	\$7,146	\$7,863
Non-current liabilities																
Long-term debts	1,524	1,404	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,770	1,382	1,382	1,382
Operating lease liabilities, non-current	1,960	1,805	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	2,135	1,860	1,860	1,860
Deferred tax liabilities	1,220	1,175	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,264	1,131	1,131	1,131
Other non-current liabilities	192	685	201	201	201	201	201	201	201	201	201	201	209	201	201	201
Total non-current liabilities	\$4,954	\$5,121	\$4,625	\$4,625	\$4,625	\$4,625	\$4,625	\$4,625	\$4,625	\$4,625	\$4,625	\$4,625	\$5,445	\$4,625	\$4,625	\$4,625
Total liabilities	\$15,972	\$20,314	\$11,157	\$10,976	\$12,196	\$12,570	\$12,339	\$11,771	\$12,457	\$12,182	\$12,467	\$12,489	\$11,957	\$10,976	\$11,771	\$12,489
Equity																
Total Shareholders' Equity	\$6,358	\$3,762	\$14,316	\$6,886	\$5,388	\$5,233	\$5,188	\$5,751	\$4,711	\$4,348	\$4,267	\$4,462	\$7,667	\$6,886	\$5,751	\$4,462
Total liabilities and equity	\$22,330	\$24,076	\$25,472	\$17,862	\$17,585	\$17,803	\$17,527	\$17,521	\$17,168	\$16,530	\$16,734	\$16,951	\$19,624	\$17,862	\$17,521	\$16,951
Net Cash	-371	2,403	7,150	6,074	2,221	3,360	3,464	1,958	1,958	1,958	1,958	1,958	-894	6,074	1,958	1,958
Net Cash per share	-0.02	0.12	0.34	0.29	0.11	0.16	0.17	0.09	0.09	0.09	0.09	0.09	-0.04	0.29	0.09	0.09

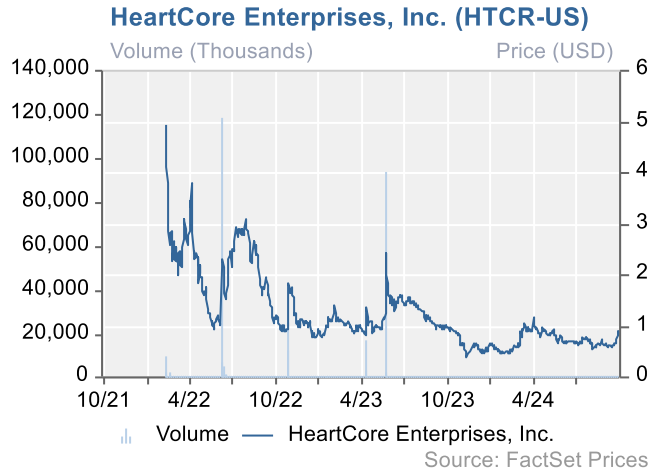
Source: Company Reports and Sidoti & Co., LLC estimates

Appendix
Required Disclosures

Required Disclosures

HeartCore Enterprises, Inc. (HTCR \$1.52) NR Risk Rating: H

Action	Date	Px	Rating	PT	Risk Rating
Initiation	10/8/24	0.7	NR	N/A	H



**(IF A COMPANY SPONSORED RESEARCH (“CSR”) REPORT, ALSO REFER TO
ADDITIONAL CSR-SPECIFIC DISCLOSURES PROVIDED BELOW¹)**

Rating System

Sidoti’s Equity Research rating system consists of BUY and NEUTRAL recommendations, as well as a NOT RATED classification. We do not assign these BUY or NEUTRAL ratings for companies covered under our Company Sponsored Research program. Companies (or equity securities) covered by our CSR program are classified as NOT RATED (NR) and are only assigned a HIGH (H) or MODERATE (M) risk rating. Unless otherwise noted in a report, Sidoti ratings should be interpreted as follows:

Rating	Industry	Interpretation
BUY	All, except Utilities	Capital appreciation of at least 25% over the next 12 months
NEUTRAL	All, except Utilities	Capital appreciation of less than 25% over the next 12 months
BUY	Utilities(a)	Capital appreciation of at least 15% over the next 12 months
NEUTRAL	Utilities(a)	Capital appreciation of less than 15% over the next 12 months
HIGH (RISK)	All in CSR program	Companies/equities with among others, one or more of the following characteristics: <ul style="list-style-type: none"> • significant potential for loss of principal; • significant share price volatility; • limited revenue or cash flow and/or high unpredictability associated with revenue and cash flow; • short and/or unprofitable operating history; • potentially significant issues regarding operational and/or financial success; • problematic financial, liquidity, legal, regulatory or political issues; • upcoming need for additional capital when availability is questionable;

¹ Lighthouse Equity Research, an affiliate of Sidoti & Company, LLC is part the broker-dealer’s CSR program)

Appendix
Required Disclosures

		<ul style="list-style-type: none"> • significant related party transactions which could lead to a conflict of interest; • any other factor that the analyst believes could materially and adversely impact the subject company and/or the value of its securities.
MODERATE (RISK)	All in CSR program	<p>Companies which have many of the same risks as described under the HIGH risk rating, but which risks are mitigated (on a relative basis and in the opinion of the analyst) due to, among others, one or more of the following:</p> <ul style="list-style-type: none"> • more stable and predictable revenue, profits and cash flow; • more established operating history; • more favorable operating or business environment • lower potential for financial, liquidity, regulatory or political issues; or • less onerous upcoming capital needs.

(a) those with at least 75% of operations derived from regulated state and federal businesses

Percentage of Covered Companies with Each Rating and Realization of Investment Banking Income from Covered Companies Over the Past 12 Months:

With reference to the information described in the header immediately above please refer to the table below, which is as of, and reflects information immediately prior to, the publication of this report:

Rating	# of Companies	% (b)	Realized Investment Banking Income (# of companies with rating)	Realized Investment Banking Income (% of companies with rating)
BUY	34	23.4%	3	8.8%
NEUTRAL(a)	17	11.7%	1	5.9%
NOT RATED	0	0%	0	0.0%
NR -CSRs Moderate Risk (c)	81	55.9%	1	2.9%
NR -CSRs High Risk (c)	13	9.0%	0	0.0%
TOTAL	145	100%	5	3.4%

(a) Of the NEUTRALS 5 trade above our price target.

(b) Numbers may not add due to rounding or because of a pending drop of coverage.

(c) 86.2% of our CSRs are moderate risk, while 13.8% are high risk.

Certain Risks

A universal risk to all our price targets is that the analyst's estimates or forecasts may not be met. Past performance should not be construed as indicative of future performance. This report contains forward-looking statements, which involve risks and uncertainties. Actual results may differ significantly from such forward-looking statements. Factors that may cause such a difference include, but are not limited to, those discussed in the "Risk Factors" section in the subject company's SEC filings available in electronic format through SEC Edgar filings at www.sec.gov.

Certain information Regarding Analyst Compensation

Sidoti employees, including research analysts, receive compensation that is based in part upon the overall performance of the firm, including revenues generated by Sidoti's investment banking activities, brokerage activities, from issuers participating in Sidoti's Company Sponsored Research program, from covered (and non-covered) companies paying to attend our affiliate's conferences or compensating Sidoti for arranging Non-Deal Road Show (NDR) meetings, but compensation is not directly related to any of these revenue streams. As noted below such factors present a potential conflict of interest.

Appendix
Required Disclosures

Factors that May Influence Continuation of Coverage and Related Potential Conflicts of Interest

Sidoti research analysts generally do not cover (or continue to cover) those companies where Sidoti does not deem coverage to be profitable. In determining whether coverage is profitable, Sidoti considers among other things, (a) an estimate of invoice payments received from its institutional investor clients as it relates to a covered company; (b) whether management of a covered company participates in a Sidoti affiliate's-sponsored conferences and/or non-deal roadshows (Sidoti's affiliate receives a fee from the issuer if the issuer presents at a conference and may receive a fee from the issuer if it schedules an NDR; The affiliate thereafter covers a portion of Sidoti's expenses pursuant to an expense sharing agreement, which amount is determined based on affiliate revenue versus Sidoti revenue); and (c) whether a covered company has in the past or is inclined to include Sidoti in an investment banking transaction as a co-manager or otherwise. A possible effect of factors (b) and (c) above may be that continued coverage decisions are based, in part, on the willingness of management of covered companies to participate in, and compensate Sidoti's affiliate for, such conferences and NDR meetings, as well as Sidoti's inclusion in investment banking transactions. This approach could be viewed as presenting potential conflicts of interest.

Sidoti and Analyst Ownership of Securities Described Herein and Other Analyst Restrictions

Sidoti does NOT own securities of the issues described herein. Sidoti policy does not allow an analyst or a member of their household or any account in which they otherwise hold a beneficial interest to own shares in any company that he/she covers. Sidoti policy does not allow employees or household members to serve as an officer or director of a covered company. Sidoti does not make a market in any securities.

Sidoti Investment Banking Revenue Realized from the Subject Company in the Last 12 Month

Sidoti has non-research employees that will seek compensation for investment banking services from the company covered hereunder. As of the date hereof, Sidoti may expect to receive or may intend to seek investment banking compensation from any of its covered companies, including the subject company covered herein, within the next 3 months (additional detail, if any, is provided in a special disclosure below). Investment banking services, as defined under FINRA Rule 2241, includes, among other things, acting as an underwriter in or as a member of the selling group in a securities underwriting. Sidoti's role in most investment banking transactions can be viewed on this company's filings at www.sec.gov. The table below sets forth instances where Sidoti has received investment banking revenue from the company covered hereunder in the last twelve months, if any:

Date	Role	Transaction	Security

Sidoti Non-Investment Revenue Realized from the Subject Company in the Last 12 Months

Prior to December 31, 2022, Sidoti held multiple conferences a year and charged a fee of up to \$6,000 per conference to presenting companies. Beginning January 2023, Sidoti Events, LLC ("Sidoti Events"), an affiliate of Sidoti by common ownership, began to hold these conferences. Sidoti or Sidoti Events may also receive a fee of up to \$8,000 for scheduling a Non-Deal Roadshow ("NDR") day. Sidoti Events reimburses Sidoti for certain services provided by Sidoti to Sidoti Events in respect of these conferences (or NDR days) pursuant to an Expense Sharing Arrangement. The table below sets forth instances where Sidoti or Sidoti Events received non-investment revenue from the company covered hereunder, if any, over the past 12 months:

Conferences	NDR Days
November 2024	

Additional Disclosures Specific to the Subject Company of this Report Including the Pursuit or Expectation of Investment Banking Revenue in the Next Three Months

None.

Appendix Required Disclosures

Analyst Certification

The research analyst that authors this report, Aashi Shahi, certifies that this report accurately reflects his/her personal views about the subject securities and issuers and that none of the research analyst's compensation was, is or will be directly or indirectly related to the analyst's specific recommendations or views contained in this research report.

Other Disclosures

This report is for information purposes only and is not intended as an offer to sell or a solicitation to buy securities. Sidoti does not maintain a predetermined schedule for publication of research and will not necessarily update this report. The stock rating on this report, if any, reflects the analyst's recommendation based on a 12-month period. Past performance should not be construed as indicative of future performance. Information contained herein is based on sources Sidoti believes to be reliable, but it does not guarantee their accuracy. Targets, forecasts, estimates, valuations, and opinions concerning the subject company or its securities, and information involving composition of market sectors included in this report reflect analyst judgments as of this date and are subject to change without notice. It should be presumed that the analyst who authored this report has had discussions with the subject company to ensure factual accuracy prior to publication. This report was prepared for market professionals and institutional investor customers. Market professionals and institutional investors should consider this report as only a single factor in making their investment decisions. This research report is not a substitute for the exercise of your independent judgment. At times, Sidoti may be in possession of material non-public information, none of which is used in the preparation of our research. Sidoti maintains and enforces written policies and procedures reasonably designed to prevent any controlling persons, officers (or persons performing similar functions), or employees of Sidoti from influencing the activities of research analysts and the content of research reports prepared by the research analyst. Sidoti receives and seeks to receive, through the efforts of non-research employees, commission sharing agreement compensation from institutional investors in connection with providing securities-related services including access to this report. Reprints of Sidoti & Company, LLC reports are prohibited without permission. Additional information is available upon request. The trademarks and service marks contained in Sidoti & Company Research are the property of their respective owners. Third-party data providers make no warranties or representations relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages relating to such data.

SPECIAL CSR-RELATED DISCLOSURES

Very Important Notice to Recipients Regarding Purpose and Usage of CSR Reports including Lighthouse Equity Research

If demarcated "Company Sponsored Research" on the cover page of this document, this report was commissioned for a fee by the subject company and is part of our Company Sponsored Research ("CSR") program. All Sidoti & Company, LLC ("Sidoti") research is prepared only for market professionals and institutional investor customers based on publicly available information. This report is for information purposes only and is not intended as an offer to sell or a solicitation to buy securities. Sidoti research does not provide individually tailored investment advice and has been prepared without regard to the circumstances and objectives of those who receive it. Should recipients use the information contained herein to assist them in making an investment decision, they must consider this report as only one factor in making their investment decisions, exercise their own independent judgment and carefully consider the appropriateness of an investment based on their individual circumstances and objectives – including, without limitation, financial status, risk tolerance and risk/return preferences. An investment in the securities described herein may not meet any or all of the recipient's income, capital appreciation or other objectives and is subject to considerable risks. No non-institutional investor recipient should make an investment in the securities discussed herein without first having received advice from his or her purchaser representative, qualified financial advisor and tax and legal advisors. In 2024, Sidoti began publishing research under its newly established Lighthouse Equity Research ("LH") division. LH research covers companies that cannot be valued based on traditional, well established valuation metrics such as price-to-earnings multiples or free cash flow, or that are beset by political risk or other factors that may make it difficult for the analyst to opine on the stock's potential. Accordingly, consumers of Lighthouse Equity Research must understand that the covered company's equity is in most instances characterized by extraordinary risk and is very likely to be subject to highly significant price fluctuations. While an investor in any equity may experience significant losses, investors in a LH covered company must be able to bear the loss of their entire investment. Sidoti urges consumers of LH research to carefully consider the risks outlined in the subject company's public filings, which may be found at www.sec.gov and reminds consumers of LH research that it is being produced solely for sophisticated institutional investors and that it must not be used by retail investors for any investment-oriented purpose. Please note that a Sidoti analyst covering a LH company is not recommending the reader to take any action with respect to, and will not recommend or issue any investment opinion about, the subject company's securities; nor will the analyst issue any price targets. The information contained in the financial model in a LH report must be considered to be inadequate for making an investment decision, valuing the subject company's securities or drawing any conclusions about the subject company's potential. For more information concerning the valuation methodology and risks associated with any recommendation, rating, price target or commentary referenced in this research report, please contact Sidoti's Client Support Team at US/Canada +1 212-453-7000.

Appendix

Required Disclosures

Alternatively, you may contact a Sidoti investment representative by mailing Sidoti & Company, LLC, Attention: Director of Research, 1177 Avenue of the Americas, 5th Floor, New York, NY 10036, USA.

CSR Fees and Related Potential Conflicts of Interest

Companies who commissioned CSR coverage from Sidoti prior to January 1, 2023 (“Pre-2023 CSRs”) pay a flat fee of \$45,000 for an additional year of coverage when renewing in 2023 (or in certain instances 2024). Companies that are not Pre-2023 CSRs pay a fee of \$50,000 for one year of coverage unless they are clients of Lighthouse Equity Research, in which case the fee is \$60,000. The fee is for the production and dissemination of an Initiation Report (if the initial year of the contract) and quarterly update reports during the one-year term of a CSR contract. (Sidoti does not accept stock or warrant compensation). Such contractually required reports coincide with initiation of coverage and the subject companies’ quarterly earnings releases. Sidoti may also publish reports on its CSR companies between each earnings report for which it has a contractual obligation to publish. The purpose of the CSR fee is to subsidize the high costs of providing securities research coverage. Sidoti’s receipt of a fee from the issuer described herein for producing this report could present potential conflicts of interest. To mitigate the potential for conflicts, Sidoti:

- assures its contracts with the issuer described herein allows for Sidoti’s full editorial control of all research and, within reason, the timing of its release;
- requires the term of a contract extend for one full year, which contract the issuer cannot unilaterally terminate;
- provides Sidoti the ability to terminate the contract under certain circumstances;
- insists that, at a minimum, pro-rata payment of the annual fee is received prior to the publication or release of a research report;
- utilizes analysts who must abide by the CFA Institute Code of Ethics and Standards of Professional Conduct;
- provide analysts with full discretion on the price target and over other coverage points based on their own due diligence;
- maintains and enforces written policies and procedures reasonably designed to prevent any controlling persons, officers (or persons performing similar functions), or employees of Sidoti from influencing the activities of research analysts and the content of research reports prepared by the research analyst;
- does not directly tie analyst compensation to their willingness to cover a company on a commissioned basis, provided however that the provision of CSR coverage is one of several overall considerations that is factored into Sidoti’s determination of analyst compensation; and
- does not directly or indirectly tie analyst compensation to the specific recommendations or views expressed in any research report.

Notwithstanding the measures set forth above to mitigate the risk of potential conflicts of interest, Sidoti makes no representations and does not warrant that such measures can or will fully eradicate potential conflicts.

Certain Additional CSR (including Lighthouse Equity Research) Risk Considerations

Many companies covered under Sidoti’s CSR program can be classified as microcap stocks, which equities typically bear certain risks that are not as prevalent in the “Blue Chip”, large capitalization, mid capitalization or even the small capitalization segment of the market. Microcap stocks are more prone to trade at discounts. They generally have smaller trading volume and smaller public floats than companies with larger market capitalization, which can lead to an inability to buy or sell shares (liquidity risk) in quantity without moving the market (or at all), large bid-ask spreads, and increased stock price volatility (which can result) even if a trade involves a very small number of shares. In addition, microcaps tend to have significant company specific risks that contribute to lower valuations and may limit stock price appreciation. 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. Given the foregoing, readers of this report are urged to pay special attention to the risk rating and risk factors set forth in this report, as well as to seek more detailed information regarding risks by reviewing the company’s public filings at www.sec.gov.

Source(s)

Key Statistics data is sourced from FactSet Research Systems