NASDAQ:PRSO Q4 2025 Earnings Call Transcript

Generated on 11/25/2026

Conference Operator:

Good afternoon and welcome to Parasso Inc.' 's third quarter 2025 conference call. At this time, all participants are in a listen-only mode. If anyone needs assistance at any time during the conference call, please press the star key followed by the zero key on your touchtone phone. As a reminder, this conference call is being recorded today, Monday, the 16th of March, 2026. I would now like to turn the call over to your host for today's conference call, Mr. Jim Sullivan.

Jim Sullivan | Chief Financial Officer:

Please go ahead.

Jim Sullivan | Chief Financial Officer:

Good afternoon, and thank you for joining today's conference call to discuss Parasso's fourth quarter and full year 2025 financial results. I'm Jim Sullivan, CFO of Parasso, and joining me today is Ron Glibury, our CEO. Today, after the market closed, we issued a press release and related Form 8K, which was filed with the Securities and Exchange Commission. The press release and Form 8K are available on Parasso's website at www.parassoinc.com under the Investor Relations section. There is also a slide presentation that we will be using in conjunction with today's call that may be accessed through the webcast link on the Investor Relations website. As a reminder, comments made during today's conference call may include forward-looking statements. All statements, other than statements of historical fact, could be deemed as forward-looking. Perasso advises caution and reliance on forward-looking statements. These statements include, without limitation, any projections of revenue, margins, expenses, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, adjusted EBITDA, non-GAAP net loss, cash flows, or other financial items, including anticipated cost savings, as well as any statements concerning the expected development, performance, and market share or competitive performance of our products or technologies, and any statements related to prospective future financing arrangements or capital transactions, and the evaluation or pursuit of strategic alternatives. All forward-looking statements are based on information available to PRASO on the date hereof. These statements involve known and unknown risks, uncertainties, and other factors that may cause PRASO's actual results to differ materially from those implied by the forward-looking statements, including unexpected changes in the company's business. More detailed information about these risk factors and additional risk factors are set forth in PRASO's public filings with the Securities and Exchange Commission. PRASO expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable law. Additionally, the company's press release and management statements during this conference call will include discussions of certain measures and financial information in terms of GAAP and non-GAAP. With respect to remarks on today's call involving non-GAAP numbers, unless otherwise indicated, Referenced amounts exclude stock-based compensation expense, severance costs, amortization of intangible assets, and the change in fair value of warrant liabilities. These non-GAAP financial measures, definitions, and the reconciliation of the differences between them and comparable GAAP measures are presented in our press release and related Form 8K, which provide additional details. For those of you unable to listen to the entire call at this time, The recording will be available on the investor relations page of our website. I'll now turn the call over to our CEO, Ron Glibury, for his prepared remarks. Ron?

Ron Glibury | Chief Executive Officer:

Thank you, Jim. Good afternoon and welcome to everyone on the phone and webcast. We appreciate you joining today's conference call. We closed out 2025 with a solid fourth quarter that was in line with our guidance range and supported by continued year-over-year growth in millimeter wave product shipments. For the full year, revenue from our millimeter wave products grew approximately sixfold compared to 2024. Together with healthy gross margins and our disciplined approach to expense management, this contributed to a meaningful improvement in our bottom line results for the year. I continue to be pleased with our team's execution over the past several quarters. The year-over-year expansion in millimeter-wave revenue underscores the growing commercial traction of our 60 gigahertz solutions in multiple targeted end markets. It also reflects a combination of increased product shipments as well as the ramp of newly secured design wins across both new and existing customers. Notably, we have achieved this while maintaining tight control over operating expenses. Turning to slide four. Fixed wireless access remains our largest and longest served end market. Not only was it the primary driver for our millimeter wave revenue growth in 2025, but we believe that fixed wireless access will continue to be a sizable ongoing market opportunity for our 60 gigahertz millimeter wave technology. We saw a broad recovery in customer demand and order trends throughout the year, which included notable traction for our fully integrated DUNE platform, as well as our prospective 60 gigahertz millimeter wave modules. Specific to our DUNE platform, we have seen sustained uptake by customers for deployments of high speed wireless broadband in dense urban environments. The fundamental performance benefits of the integrated platform, including lower cost deployment, low power, long range, and point-to-point capabilities continue to resonate with a growing list of wireless internet service providers that span North America as well as Africa. More broadly, I want to briefly reiterate two significant fixed wireless access customer wins that we secured in 2025. First, in July, we announced that Tachyon Networks had selected Peraza's Perspectives modules for their latest outdoor 60 gigabit wireless solutions. supporting up to 48 client connections per sector and targeted for cost-effective deployments in both dense urban and rural environments. Then in September, we announced our renewed collaboration with WeLink to accelerate cost-effective deployments of a multi-gigabit mesh architecture for business and consumers in dense urban neighborhoods across multiple major U.S. cities. We believe these customer wins position us well for continued growth over the coming years. Most recently, in early March at Mobile World Congress, MicroTeek launched its next generation 60 gigahertz wireless N-ray point-to-point product incorporating Perazzo technology. Given this customer's substantial market share of wireless internet service providers globally, we believe this product launch has the potential to reinforce our position as a leading provider of 60 gigahertz semiconductors for the fixed wireless access market. Today, we continue to support a wide span of ongoing proof-of-concepts utilized in Perazzo's 60 GHz technology with a diverse group of wireless internet service providers. If additional proof-of-concepts are converted into deployments, we would expect incremental production orders to support sustained year-over-year growth of the millimeter wave product revenue. Moving to slide 5. fixed wireless access, we have continued to see increased market awareness of 60 GHz technology extending to additional end markets, most notably tactical communications. In fact, 2025 marked a significant step forward for Perazzo as we successfully transitioned an initial prospective customer engagement on a conceptual military defense application from an emerging adjacent opportunity to what we now view as a definitive new market vertical with high growth potential. In April, we achieved the first major milestone toward commercialization within the tactical communications market. This was highlighted by our announced contract to incorporate Peraza's 60 GHz wireless technology into a leading specialized defense contractor's innovative and first-of-its-kind deployable system solution for enhanced situational awareness on the battlefield. We delivered initial production shipments in support of our joint solution with this defense customer in June, and then we were pleased to report in November the successful completion of initial field trials. Notably, this initial customer engagement has served to further validate the robust performance of our technology, while also demonstrating why our millimeter wave solutions are particularly well-suited for these environments. Traditional wireless communications are highly susceptible to enemy detection and jamming. In contrast, 60 gigahertz millimeter wave can offer stealthy communication characteristics thanks to narrow beam forming, dynamic beam steering, and oxygen attenuation. These characteristics are designed to provide low probability of detection, low probability of interception, and strong anti-jamming characteristics. all

while operating in unlicensed frequency band and avoiding interference with licensed spectrum. Today, the jointly developed solution for enhanced situational awareness is undergoing additional planned field trials with our lead defense contractor. The collective feedback from these trials has been consistently positive, and we continue to believe this solution and partnership could represent a meaningful long-term revenue opportunity for Perazzo. Having said that, the progress we achieved over the past year established a strong foundation for broader engagement with our lead customer and for an expanded presence in the tactical communications market. Earlier this month, we were pleased to both name Intact as our lead defense contractor customer and also announced that Intact selected Perazzo's 60 gigahertz millimeter wave technology for use in its next generation drone identification friend or foe system. Given the significance of this latest win and new application for our technology, I'll turn to the next slide to review additional details. To further highlight this recent win and its validation of our 60 gigahertz millimeter wave technology for mission-critical defense applications, I want to briefly talk about the capabilities that we are enabling for our Israeli defense contractor customer. Intacct selected Peraza technology to serve as the core communications backbone for its next generation drone identification friend or foe system, engineered specifically for highly contested electronic warfare environments. With the rapid proliferation of drones on the battlefield, secure identification systems are becoming essential to prevent friendly fire incidents and enable safe coordination between unmanned and manned forces. This innovative platform enables secure, real-time, mutual authentication between friendly drones and ground forces, allowing counter-drone systems and battlefield operators to rapidly distinguish friend from foe in today's increasingly crowded skies. A fundamental characteristic of our 60 GHz mmWave technology is its inherently secure and directional communications channel. Additionally, our beamforming wireless transceivers deliver low power lengths with extremely low probability of detection, all of which makes our technology ideal for dense battlefield environments where traditional radio frequency signals can easily be jammed and or compromised. Lastly, I want to emphasize that this recently announced milestone is the result of an ongoing multi-project collaboration with Intacct over the past two years during which we have consistently demonstrated the readiness of Peraza's millimeter wave technology to enable diverse, mission-critical military communications applications. Turning to slide seven, while fixed wireless access and tactical communications remain our primary focus area, we continue to see compelling incremental opportunities in adjacent markets. Many of these adjacent market opportunities originate with a prospective customer approaching us looking for a solution and the significant versatility of our 60 gigahertz millimeter wave technology allows us to solve connectivity challenges they have not been able to overcome using traditional wireless technology. One example that I highlighted on a previous conference call was our first ever production shipment around mid-year for a customer's wireless video system in classroom environments. This specific application required delivering reliable high performance low latency video independent of congested Wi-Fi networks. As we've continued to engage with additional prospective customers across a broad range of end markets and applications, a number of our discussions have converged around a shared pain point, how to overcome the challenges associated with processing massive amounts of high bandwidth video for edge AI applications. A few prominent use cases include last mile delivery services, autonomous vehicles, and drones. Notably, customers are especially attracted to 60 gigahertz millimeter waves, unique combination of multi-gigabit data rates for high-resolution video streaming, ultra-low latency for real-time performance, and exceptional power efficiency, which is critical for battery-operated edge AI devices. To highlight another recent milestone, during the fourth quarter, we announced our collaboration with Vireworks. We are supplying our latest 60 gigahertz prospective modules to power their BX60 platform, enabling multi-gigabit wireless connectivity specifically designed for Robotoxi fleet vehicles and physical AI applications. This partnership directly addresses one of the biggest bottlenecks in autonomous vehicle operations. the need to rapidly upload terabytes of telemetry and high-resolution camera data when vehicles return to depots for charging, while simultaneously delivering software updates. Conventional Wi-Fi and 5G solutions can easily become oversaturated under these demands. The VX60 system delivers breakthrough performance, supporting up to one terabyte of data transfer per vehicle per hour, which we believe can surpass the capabilities of traditional alternatives. As I stated in our announcement, this is exactly the kind of challenge our 60 gigahertz products were designed to solve. Autonomous vehicles and the AI systems that power them to process tremendous amounts of data require an immense bandwidth, and that's what our technology does extremely well. This Robotaxi application could

represent one of the largest scale uses of our millimeter wave solutions to date, and further validates the unique value we bring to customers across diverse edge AI applications. BuyerWorks and its Robotaxi platforms are a perfect example of how adjacent opportunities expand our served addressable market and help diversify our revenue base beyond fixed wireless access and tactical communications. In closing, we are encouraged by the growing market awareness of 60 gigahertz wireless technology and its unique ability to deliver high bandwidth and secure connectivity in congested operating environments. Our focus for 2026 remains on broadening our customer base and pipeline of design wins across fixed wireless access and tactical communications while selectively pursuing high growth opportunities in adjacent markets such as Edge AI. Combined with our ongoing commitment to disciplined expense management, we believe we are well-positioned to deliver continued year-over-year growth in millimeter-wave revenue in our operating results over the coming year. Lastly, before turning the call over to Jim, I want to acknowledge a unique challenge that we recently became aware of and which we now anticipate to have a negative impact on our top-line results for the first quarter. Due to an unexpected delay in the receipt of key materials from one of our Asia-based suppliers, which as of today we believe is stuck in customs, we are unlikely to be able to fulfill a significant order that was previously scheduled for shipment during the first quarter. Although we do expect to fulfill this order during the second quarter, the delayed shipment is anticipated to result in more than half a million dollars impact on our anticipated revenue for the first quarter. are disappointed by the delayed shipment, I want to emphasize that this is largely reflective of a temporary supplier logistics issue, and we remain optimistic about the future prospect of Peraza's overall business. With that, I'll hand the call over to Jim to review the financials and provide our revenue outlook for the first quarter.

Jim Sullivan | Chief Financial Officer:

Thank you, Ron. Turning now to the results for the fourth quarter of 2025. Total net revenue for the fourth quarter was $2.9 million, compared with $3.2 million for the prior quarter and $3.7 million for the fourth quarter of 2024. Full year 2025 net revenue was $12.2 million, compared with $14.6 million in the prior year. Product revenue in the fourth quarter was $2.8 million, compared with $3.1 million in the prior quarter and $3.7 million in the fourth quarter of 2024. The decrease in product revenues for the fourth quarter of 2025 from the comparable period of 2024 was primarily attributable to the reduction in shipments of memory IC products due to the previously announced end of life of the products. This was partially offset by a year-over-year increase in shipments of millimeter wave products in the fourth quarter of 2025. Full year 2025 product revenue was $11.8 million compared with $14.2 million in 2024. Specific to sales of millimeter wave products, Revenues were $2.4 million in the fourth quarter of 2025, compared with $3 million in the prior quarter and $0.2 million in the fourth quarter of 2024. Total sales of millimeter wave products for full year 2025 increased to $9.1 million from $1.3 million in 2024. Gap gross margin was 52.2% in the fourth quarter, down from 56.2% in the prior quarter, and compared with 56.3% in the year-ago quarter. Gap gross margin for the full year 2025 was 58% compared with 51.7% in the prior year. The increase in gap gross margin for the full year 2025 compared with 2024 was primarily attributable to increased millimeter wave margins due to increased shipments and an increase in memory IC product margins due to reduced amortization expense related to intangible assets, which were fully amortized as of December 31, 2024. On a non-gap basis, Gross margin for the fourth quarter was 52.2%, compared with 56.2% in the prior quarter, and compared with 71.6% in the fourth quarter of 2024. Full year 2025 non-GAAP gross margin was 58%, compared with 67.2% in 2024. The decreases in non-GAAP gross margin for the fourth quarter and full year 2025, compared with the comparable periods of 2024, were primarily attributable to reduced shipments of our memory IC products. Gap operating expenses for the fourth quarter of 2025 were $2.8 million, compared with $3 million in the prior quarter and $3.7 million in the fourth quarter of 2024. Gap operating expenses for the full year of 2025 were $11.8 million, compared with $20 million in the prior year. The decrease in operating expenses on a gap basis from the comparable period of 2024 was primarily attributable to reduced stock-based compensation expense, and amortization expense related to intangible assets fully amortized in 2024, as well as a $2.3 million decrease in severance and software license obligation costs. Non-GAAP operating expenses, which exclude stock-based compensation, severance costs, and amortization of intangible assets, were $2.7 million

in the fourth quarter, compared with $2.9 million in the prior quarter and $3.2 million in the fourth quarter of 2024. Non-GAAP operating expenses for the full year of 2025 were $11.3 million, compared with $14.9 million in 2024. The decrease in operating expenses on a non-GAAP basis for the full year of 2025, compared with 2024, was primarily attributable to a $1.8 million decrease in software license obligation costs and the benefits realized from previously implemented cost reductions and ongoing cost containment initiatives. Gap net loss for the fourth quarter of 2025 was $1.2 million, or a loss of 13 cents per share, compared with a net loss of $1.2 million, or a loss of 17 cents per share in the prior quarter, and compared with a net loss of $1.6 million, or a loss of 37 cents per share in the same quarter a year ago. Full year 2025 gap net loss was $4.8 million, or a loss of 67 cents per share, compared with a net loss of $10.7 million, or or a loss of $3.57 a share in 2024. Non-GAAP net loss, which excludes stock-based compensation, amortization of intangibles, severance costs, and changes in fair value of warrant liabilities for the fourth quarter of 2025 was $1.2 million, or a loss of $0.13 per share. This compared with a non-GAAP net loss of $1.1 million, or a loss of $0.15 per share in the prior quarter, and a net loss of $0.5 million, or a loss per share of 13 cents in the same quarter a year ago. Full-year non-GAAP net loss of 2025 was $4.3 million, or a net loss of 60 cents per share, compared with a net loss of $5.1 million, or a net loss of $1.71 per share in 2024. The weighted average number of basic and diluted shares outstanding for purposes of calculating both GAAP and non-GAAP EPS for the fourth quarter of 2025 was approximately 9.2 million shares. Adjusted EBITDA, which we define as gap net income or loss as reported, excluding stock-based compensation, amortization of intangible assets, severance costs, change in fair value of warrant liabilities, interest expense, depreciation and amortization, and the provision for income taxes, was negative $1.1 million in the fourth quarter of 2025, compared with negative $1 million in the prior quarter and negative $0.4 million in the fourth quarter of 2024. Full year 2025 adjusted EBITDA was negative $4 million, compared with negative $4.5 million in 2024. With regard to the balance sheet, as of December 31st, 2025, the company had approximately $2.9 million of cash, compared with $1.9 million as of September 30th, 2025. The net increase of approximately $1 million in the company's cash balance for the fourth quarter reflected approximately $2.1 million in net proceeds from sales under the company's at-the-market offering program during the fourth quarter. As of today's call, the company has approximately 12.6 million shares of common stock and exchangeable shares outstanding. As previously disclosed, the company has been exploring potential strategic alternatives, including a merger, sale of assets, or other similar transaction, as well as various potential sources of additional capital. Aside from confirming that the strategic review process continues to be ongoing in coordination with the company's financial advisor, there are no related updates to share on today's call from what we have previously disclosed. Now, turning to our outlook. We remain optimistic about the breadth of customer engagements for our millimeter wave solutions across fixed wireless access, tactical military communications, and other markets. However, as Ron previously discussed, A large order that was previously planned for shipment in the first quarter is now expected to be shipped in the second quarter of 2026. Given the size of the order, this delay is expected to have a meaningfully negative impact on our revenue forecast for the first quarter. Unrelated to this order, overall visibility into future demand is lower due to a combination of irregular order patterns from our fixed wireless access customers, in addition to having multiple new customers that have yet to establish observable order patterns. Based on revenue recognized year-to-date and assuming no contribution from the previously mentioned delayed order shipment, the company currently expects total net revenue for the first quarter of 2026 to be approximately $1.2 million. This concludes our prepared remarks, and we thank you for your time this afternoon. Operator, please commence the Q&A session.

Conference Operator:

Thank you. At this time, we will be conducting a question-and-answer session. If you would like to ask a question, please press star 1 on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys.

Jim Sullivan | Chief Financial Officer:

One moment please while we poll for questions. And the first question today is coming from David Williams from Benchmark.

Conference Operator:

David, your line is live.

David Williams | Analyst, Benchmark:

Hey, good afternoon, gentlemen. Thanks so much for taking my questions and congratulations on the progress.

Ron Glibury | Chief Executive Officer:

Thanks, Dave.

David Williams | Analyst, Benchmark:

Yeah, maybe Ron first. If you kind of think about that intact deal, when should we think about the revenues from that begin to start coming in? And is there any way to maybe size the total revenue opportunity for what you see in front of you here now?

Ron Glibury | Chief Executive Officer:

Yeah, good question. Really, that revenue is comprised of two components. One is what we call non-recurring engineering, which is NRE, of course, one-time payment. And the other is what we call production revenue. And we're seeing, I would say, 90% NRE right now, 10% product revenue. I'm not sure, Dave, we haven't split it out specifically. Maybe I'll leave it to Jim to maybe explicitly talk about it. But we see... The real shift to what I would call production revenue, as a matter of fact, I just hung up with them earlier today, I'm sorry, that the real production is going to shift being the second half of 2026. So that's kind of what we're looking at right now. We do expect more non-recurrent engineering revenue. Primarily, it's just really adopting this. One of the primary goals for us is just really getting the power consumption down. That's taking a lot of effort. I would say right now, the meaningful revenue, I would say 90% what we call NRE, and the second half of 26 will shift into product revenue.

Unidentified Parasso Representative:

We have the eligibility for that. Sorry, Dave, are you still there?

David Williams | Analyst, Benchmark:

Yeah, sorry about that. Thanks for the color. I couldn't get my phone off mute. All right, Ron, so you'd also talked about the adjacent market opportunities and clearly a lot of benefits there, but is there a way to quantify the number of customers that you're in active conversations with and maybe just provide a little color on the different segments where you think that you could move pretty quickly into an order or potentially production?

Ron Glibury | Chief Executive Officer:

So, you know, the number of customers there, you know, we're really looking at maybe in the order of three to five. But the difference is there are really more household names, I would say. You know, again, confidentiality prevents me from kind of explicitly saying, but, you know, like certainly Fortune 100 companies, if you will. You know, I guess the feedback to us is the sooner the better, right? I mean, you know, take the Robotaxi situation, for example. Again, you know, these devices or these vehicles collect information all day long. They get back. They have to recharge. They've got one hour to download a terabit of data and then go down to the data center, process it, right, and then send new algorithms back up to the vehicle. Now, if it was just one vehicle, sure, that's one thing. But it's 100 vehicles, for example. And the real challenge is, and what we have to keep in mind is, it's really the aggregate throughput here, not just one vehicle, but it's hundreds of vehicles. To answer your question, this customer would take our existing silicon. I could see us being in production at the end of this year, frankly. But, you know, we could even see ourselves going into next-generation chips with this customer because basically the feedback from the customer is the demand is limitless. So, yeah, so we're really hoping that we can get, you know, these devices into production, you know, later this year, early 2017. Now, the other thing I'll mention is I really want to shout out to this customer that we did a press release with called BarWorks. They've got a very, very sophisticated software solution that we've been working on for several years, frankly, like probably three, four years. And, you know, they're a key partner for us. And I think what we've done a very good job of is those partnerships where we don't have to reinvent or we don't have to invent the entire system. And we work with smart, you know, smart, you know, partners to facilitate some of these opportunities. But, you know, that would be a real good example of, you know, how I would summarize companies A, you know, the demand for, like, you know, very high data rate systems, and B, doing that in a congested environment. And so, you know, our existing solar can address that, and I could see us get into production, you know, at the end of this year and into 27. I hope that answers your question.

David Williams | Analyst, Benchmark:

Yeah, it does. Thanks again. And let me just ask one more question, if you don't mind. Sure. Sure, of course. Just kind of given the state of current affairs and the current conflict, Just curious if you're seeing inbound interest there, and it seems like maybe the technologies that we're using today could do some advancing. It seems like you might have a solution that could be very beneficial for, especially on the drone application. So just curious if you're seeing that, and then maybe talk about your go-to-market strategy in that market, how you're going to the market, or if you're waiting for those to come to you, just kind of maybe that development there. Thanks.

Ron Glibury | Chief Executive Officer:

You know, I have to say, when we did the last press release last week with our drone partner, it was a company in Israel called Intact. And Intact, you know, again, a value-added partner who's developed, you know, in conjunction with us, this friend or foe identification system. And, you know, frankly, you know, one of the main, I guess, one of the main evolutions we've seen in warfare over the last two years is this idea of drone swarms. and the sky is getting cluttered with drones. And so basically, you know, militaries need to identify friend or foe, and they don't want to be shooting their own drones out of the sky. Alternatively, they don't want drones shooting their own people on the ground. So we're seeing that that's the real traction. I mean, this really started out as a, you know, and it still is an infantry solution. But, you know, clearly the drone interest is kind of exploded here, and frankly, you know, again, without getting into detail, we definitely are seeing kind of an explosion, no pun intended there, of interest in terms of that solution for, you know, friend or foe identification, which is a classic problem, frankly. But, again, it looks like we've come a long way in solving that.

David Williams | Analyst, Benchmark:

Thanks again, and best of luck.

Ron Glibury | Chief Executive Officer:

No, my pleasure.

Conference Operator:

Thank you. And once again, it will be star one if you wish to ask a question today. The next question will be from Kevin Liu from K-Liu and Company. Kevin, your line is live. Hi.

Kevin Liu | Analyst, K-Liu and Company:

Good afternoon, guys. I just wanted to start with your SWA business. You guys kind of talked about the resurgence you saw in sales to customers last year. I'm curious as you talked about what do you think inventory levels are with those customers and when would you expect to see some more kind of growth or return of orders from those folks?

Ron Glibury | Chief Executive Officer:

You know, frankly speaking, you know, we obviously were seeing, you know, we were hoping for this shipment with this large shipment in Q1 with my critique. But really, you know, for many of our customers, we really are expecting to see those orders get replenished in Q3 and Q4. So we're standing by for that. So I would say, you know, many of our customers, that's kind of the timing that we're looking for Well, obviously, it's almost Q2 now, so we really expect to see those orders come through in Q2 and Q3 and the rest of this year.

Kevin Liu | Analyst, K-Liu and Company:

Got it. And just with respect to that large order you referenced, I'm curious if kind of the delay in timing from Q1 to Q2, does that impact kind of order patterns for the remainder of this year, or was this a fairly significant order and so would it kind of cover the full year anyway?

Ron Glibury | Chief Executive Officer:

You know, I think it'll just, you know, get into queue and kind of make an orderly push with our orders for the rest of the year. So I think it will have an impact. But, you know, really, unfortunately, we're only looking at a couple of weeks. So it's not going to be an extremely material impact. But, you know, we're looking at probably two to three weeks in terms of our, in kind of our order pipeline throughout the year.

Kevin Liu | Analyst, K-Liu and Company:

Understood. And with some of these newer opportunities, you're winning particularly with folks like Intacct. I'm just curious if there's any sort of increase in investments you guys plan to make either on the R&D side or elsewhere, and just how kind of the ramp-up might affect your gross margins as those do move to production.

Ron Glibury | Chief Executive Officer:

You know, we've really had a policy over the last couple of years, Kevin, I think, as you know, to really discharge the customer. We don't make a lot of profit on the engineering, but, you know, basically our view is if the customer wants the solution, they better really pay for it. We're not in a position to really bet on the come. So, These projects, I would say almost, I can't think of one where the customer really isn't making significant contribution to the R&D effort. So I really see that continuing. We're just not in a position where we can really bet on the common. And it's good because it also at the same time validates the market because if the customer is obviously financing that, he believes in the market himself. So that's our operating strategy right now. We see ourselves continuing with that.

Unidentified Parasso Executive:

Yeah, and obviously that's funding our R&D expense and personnel costs, etc. Also, we generally come out of it with another product or another version of the product to bring to market. If the NRE combined with production orders are large enough, In some cases, the customer has exclusivity, although we work with the customer on that because they also want to see us sell it elsewhere to bring down pricing, you know, rather than just to them. But if they obviously don't hit numbers, et cetera, then we look at that, you know, we address it. But, you know, that's the other area where we kind of work on that. And, you know, anything we can do there to expand our product portfolio and have contribution from a customer is worthwhile.

Kevin Liu | Analyst, K-Liu and Company:

All right. Appreciate all the color there. It sounds like there's a lot of good traction in some of these new markets, so good luck as you make your way through the year.

Jim Sullivan | Chief Financial Officer:

Thank you.

Conference Operator:

Thank you. I show there are no further questions in the queue at this time. That will conclude today's conference call. Thank you for your participation, and you may now disconnect.

Ron Glibury | Chief Executive Officer:

Thank you very much, everyone. Bye-bye.