
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 12, 2025

Duos Technologies Group, Inc.

(Exact name of registrant as specified in its charter)

Florida
*(State or Other Jurisdiction
of Incorporation)*

001-39227
*(Commission
File Number)*

65-0493217
*(I.R.S. Employer
Identification No.)*

7660 Centurion Parkway, Suite 100, Jacksonville, Florida 32256
(Address of Principal Executive Offices) (Zip Code)

(904) 296-2807
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (par value \$0.001 per share)	DUOT	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On November 12, 2025, Duos Technologies Group, Inc. (the “Company”) issued a press release announcing the financial and operating results of the Company for the quarter and nine months ended September 30, 2025. The text of the press release is furnished as Exhibit 99.1 and incorporated herein by reference.

Additionally, on November 12, 2025, the Company held an earnings video call open to the public (the “Earnings Call”). Mr. Chuck Ferry, the Company's Chief Executive Officer, Mr. Adrian G. Goldfarb, the Company's Chief Financial Officer, Mr. Doug Recker, the Company's President, and Ms. Leah Brown, the Company's Senior Vice President of Accounting, discussed the financial and operating results of the Company for the quarter and nine months ended September 30, 2025. The transcript of the Earnings Call is furnished as Exhibit 99.2 and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

The information set forth in Item 2.02 of this Current Report on Form 8-K is incorporated by reference into this Item 7.01.

The information in Item 2.02 and Item 7.01 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

The press release and transcript of the Earnings Call, as well as a video of the Earnings Call livestream, may also be found on our website at <https://ir.duostechnologies.com/>

Forward-Looking Statements

This Current Report on Form 8-K includes forward-looking statements regarding the Company's financial results and estimates and business prospects that involve substantial risks and uncertainties that could cause actual results to differ materially. Forward-looking statements relate to future events and typically address the Company's expected future business and financial performance. The forward-looking statements in this Current Report on Form 8-K relate to, among other things, information regarding anticipated timing for the installation, development and delivery dates of our systems; anticipated entry into additional contracts; anticipated effects of macro-economic factors (including effects relating to supply chain disruptions and inflation); timing with respect to revenue recognition; trends in the rate at which our costs increase relative to increases in our revenue; anticipated reductions in costs due to changes in the Company's organizational structure; potential increases in revenue, including increases in recurring revenue; potential changes in gross margin (including the timing thereof); statements regarding our backlog and potential revenues deriving therefrom; and statements about future profitability and potential growth of the Company. Words such as "believe," "expect," "anticipate," "should," "plan," "aim," "will," "may," "should," "could," "intend," "estimate," "project," "forecast," "target," "potential" and other words and terms of similar meaning, typically identify such forward-looking statements. Forward-looking statements involve risks and uncertainties and there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the Company's ability to generate sufficient cash to expand operations, the competitive environment generally and in the Company's specific market areas, changes in technology, the availability of and the terms of financing, changes in costs and availability of goods and services, economic conditions in general and in the Company's specific market areas, changes in federal, state and/or local government laws and regulations potentially affecting the use of the Company's technology, changes in operating strategy or development plans and the ability to attract and retain qualified personnel. The Company cautions that the foregoing list of risks, uncertainties and factors is not exclusive. Additional information concerning these and other risk factors is contained in the Company's most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other filings filed by the Company with the U.S. Securities and Exchange Commission (the "SEC"), which are available at the SEC's website, <http://www.sec.gov>. The Company believes its plans, intentions and expectations reflected in or suggested by these forward-looking statements are based on reasonable assumptions. No assurance, however, can be given that the Company will achieve or realize these plans, intentions or expectations. Indeed, it is likely that some of the Company's assumptions may prove to be incorrect. The Company's actual results and financial position may vary from those projected or implied in the forward-looking statements and the variances may be material. Each forward-looking statement speaks only as of the date of the particular statement. We do not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any forward-looking statement is based, except as required by law.

Non-GAAP Financial Information

Our investor conference call and related materials contain non-GAAP financial information as a complement to the results provided in accordance with accounting principles generally accepted in the United States of American (“GAAP”). A reconciliation of the non-GAAP financial information to the most directly comparable GAAP financial measure is available in our Quarterly Report on Form 10-Q for the nine months ended September 30, 2025 available on our website at <https://ir.duostechnologies.com/>

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description of Exhibit
99.1	Press Release, dated November 12, 2025
99.2	Transcript of Earnings Call with Mr. Chuck Ferry, Mr. Adrian G. Goldfarb, Mr. Doug Recker and Ms. Leah Brown, dated November 12, 2025
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

DUOS TECHNOLOGIES GROUP, INC.

Dated: November 14, 2025

By: /s/ Adrian G. Goldfarb
Adrian G. Goldfarb
Chief Financial Officer



Duos Technologies Reports 112% Increase in Quarterly Revenue

With the transition to edge computing and growth in its energy services business, third quarter 2025 results show positive adjusted EBITDA and the Company on plan to achieve guidance of \$28 to \$30 million for the full year

JACKSONVILLE, FL / Globe Newswire / November 12, 2025 - Duos Technologies Group, Inc. ("Duos" or the "Company") (Nasdaq: DUOT), a provider of adaptive, versatile and streamlined Edge Data Center ("EDC") solutions and operational services for the deployment of "behind the meter" electrical power, reported financial results for the third quarter ("Q3 2025") ended September 30, 2025. In addition to the equivalent quarter revenue growth, consecutive quarterly revenue growth was more than 20% for a total of \$17.6 million for the first nine months, the highest revenue for that period in the Company's history.



Third Quarter 2025 and Recent Operational Highlights

- Recorded \$6.88 million in revenue, including \$6.59 million for services of which \$5.15 million is related to the Asset Management Agreement ("AMA") with New APR Energy.
- Recorded \$17.6 million for the first nine months, representing the highest revenue in the Company's history.
- Improved Gross Margins compared to the same quarter one year ago.
- Raised more than \$50 million to capitalize its growth in the data center market and retired all debt.
- Signed partnership with FiberLight to expand its coverage with telecom and carrier footprint, further accelerate deployment of Edge Data Centers and expand high-speed connectivity across underserved U.S. markets.
- Announced the deployment of its sixth Edge Data Center with an additional nine data centers scheduled for Q4 to include the first out-of-state deployment in Illinois.
- Awarded U.S. Patent No. 12,404,690 B1 for its Entryway for a Modular Data Center, an innovation that positions Duos as a differentiated provider in the growing digital infrastructure market.
- Appointed Doug Recker as President and Corporate Officer for Duos Technologies Group.
- Appointed entrepreneur and successful business executive Brian James to the Board of Directors reinforcing Duos' strategic alignment and execution capability as the Company enters its next phase of growth.
- Joined the Nomad Futurist Foundation as an Inspiration Sponsor, strengthening its role in advancing awareness, education, and talent development within the digital-infrastructure ecosystem.

Third Quarter 2025 Financial Results

It should be noted that the following Financial Results represent the consolidation of the Company with its subsidiaries Duos Technologies, Duos Edge AI, Inc., and Duos Energy Corporation ("Duos Energy").

Total revenues for Q3 2025 increased 112% to \$6.9 million compared to \$3.2 million in the third quarter of 2024 ("Q3 2024"). Total revenue for Q3 2025 represents an aggregate of approximately \$263,000 of technology systems revenue and approximately \$6,600,000 in recurring services and consulting and hosting revenue. The significant revenue increase in the third quarter, compared to the same quarter last year, was primarily driven by Duos Energy executing against the Asset Management Agreement ("AMA") with New APR that was signed on December 31, 2024. Under the AMA, Duos Energy oversees the deployment and operations of a fleet of mobile gas turbines and related balance-of-plant inventory, providing management, sales, and operational support services to New APR. Other revenue sources included the start of hosting revenues for its edge data centers and limited progress of two Railcar Inspection Portals ("RIP®") currently being developed for Amtrak.

Cost of revenues for Q3 2025 increased 88% to \$4.36 million compared to \$2.32 million for Q3 2024. The significant increase in cost of revenues was primarily due to supporting the AMA with New APR, where Duos Energy oversees the deployment and operations of a fleet of mobile gas turbines and related balance-of-plant inventory, providing management, sales, and operational support services to New APR. The cost of revenues on technology systems decreased compared to the equivalent period in 2024. This reduction is primarily driven by our ability in Q3 2025 to reallocate certain fixed operating and servicing costs for technology systems to support the AMA, an allocation we could not make in the comparative period because the agreement was not yet in effect. It also reflects the limited manufacturing progress ahead of field installation of our two high-speed RIP®s while we await customer readiness for site deployment.

Gross margin for Q3 2025 increased 174% to \$2.5 million compared to \$0.9 million for Q3 2024. Gross margin improved primarily due to Duos Energy's performance of the AMA with New APR. This also includes \$904,125 in revenue recognized during the three months ended September 30, 2025, related to the Company's 5% non-voting equity interest in the ultimate parent of New APR, which carries no associated costs and therefore contributes at a 100% margin. These revenues and the associated margin contribution were not present in the prior year period.

Operating expenses for Q3 2025 increased 28% to \$3.6 million compared to \$2.8 million for Q3 2024. The increase in expenses is largely attributed to non-cash stock-based compensation charged for restricted stock granted to the executive team on January 1, 2025, under new employment agreements with a three-year cliff vesting schedule. Overall, sales and marketing costs declined as resources were allocated to costs of service and consulting revenues in support of the AMA with New APR. Additionally, research and development expenses fell by 71% owing to scaled-back testing of prospective technologies. The Company continues to focus on stabilizing operating expenses, including evaluating reductions in some areas, while continuing to meet the increased requirements of our new businesses.

Net operating loss for Q3 2025 totaled \$1.1 million compared to net operating loss of \$1.9 million for Q3 2024. The decrease in loss from operations was primarily the result of increased revenues during the quarter, driven by revenue generated by Duos Energy through the AMA with New APR, offset slightly by non-cash stock-based compensation charged for restricted stock that was not in the comparative period.

Net loss for Q3 2025 totaled \$1.04 million compared to net loss of \$1.4 million for Q3 2024. The 26% decrease in net loss was mostly attributed to the non-cash stock-based compensation charged for restricted stock and one-time compensation expenses that were not in the comparative period, offset by an increase in revenues generated by Duos Energy through the AMA with New APR as described above. Net loss per common share was \$0.06 and \$0.18 for the three months ended September 30, 2025 and 2024, respectively.

Cash and cash equivalents at September 30, 2025 totaled \$33.20 million compared to \$6.27 million at December 31, 2024. In addition, the Company had over \$3.00 million in receivables and contract assets for a total of approximately \$36.20 million in cash and expected short-term liquidity.

Nine Month 2025 Financial Results

Total revenue increased 202% to \$17.6 million from \$5.8 million in the same period last year. Total revenue for the first nine months of 2025 represents an aggregate of approximately \$370,000 of technology systems revenue and approximately \$17.2 million in recurring services and consulting revenue. The significant revenue increase in the period, compared to the same period last year, was primarily driven by Duos Energy executing against the AMA with New APR originally signed on December 31, 2024. The decrease in technology systems' revenues was primarily attributed to delays outside of the Company's control with deployment of our two high-speed Railcar Inspection Portals. Although these systems remain largely ready for deployment, customer delays at the deployment site continue to prevent the Company from entering the installation phase although this is now expected to be mitigated in the last quarter of 2025. In spite of the timing delays that continue to impact the quarterly results, management remains confident in the long-term potential of the RIP® product.

Cost of revenues increased 143% to \$12.2 million from \$5.0 million in the same period last year. The significant increase in cost of revenues was primarily due to supporting the AMA with New APR, where Duos Energy oversees the deployment and operations of a fleet of mobile gas turbines and related balance-of-plant inventory, providing management, sales, and operational support services to New APR. The cost of revenues on technology systems decreased compared to the equivalent period in 2024. This reduction is primarily driven by our ability in the period to reallocate certain fixed operating and servicing costs for technology systems to support the AMA, an allocation we could not make in the comparative period because the agreement was not yet in effect. It also reflects the ramp-down of manufacturing ahead of field installation of our two high-speed RIP®s, which have continued to temporarily slow project activity and further reduce cost of revenues while we await customer readiness for site deployment.

Gross margin increased 569% to \$5.4 million from \$800,00 in the same period last year. Gross margin improved primarily due to Duos Energy's performance of the AMA with New APR. This includes \$2,712,375 in revenue recognized during the period, related to the Company's 5% non-voting equity interest in the ultimate parent of New APR, which carried no associated costs and therefore contributed at a 100% margin. These revenues and the associated margin contribution were not present in the prior year period.

Operating expenses increased 34% to \$11.7 million from \$8.7 million in the same period last year. The Company experienced a significant increase in overall operating expenses compared to the same period in 2024. Sales and marketing costs declined as resources were allocated to costs of service and consulting revenues in support of the AMA with New APR. Additionally, research and development expenses fell by 28% owing to scaled-back testing of prospective technologies. General and administration costs increased 71%, largely due to non-cash stock-based compensation charged for restricted stock granted to the executive team on January 1, 2025, under new employment agreements with a three-year cliff vesting schedule as well as one time compensation costs related to the closing of the AMA and 5% ownership agreements as previously described. Additionally, there were general and administration costs that were allocated to cost of service and consulting revenues in support of the AMA with New APR. Overall, the Company continues to focus on stabilizing operating expenses while meeting the increased needs of our customers.

Net operating loss totaled \$6.35 million compared to net operating loss of \$7.90 million in the same period last year. The decrease in loss from operations was primarily the result of increased revenues during the period, driven by revenue generated by Duos Energy through the AMA with New APR.

Net loss totaled \$6.64 million compared to a net loss of \$7.36 million in the same period last year. The 10% decrease in net loss was mostly attributed to the increase in revenues generated by Duos Energy through the AMA with New APR as described above. Net loss per common share was \$0.49 and \$0.98 for the nine months ended September 30, 2025, and 2024, respectively.

Financial Outlook

At the end of the third quarter, the Company's contracts in backlog represented approximately \$25.8 million in revenue, of which approximately \$12.4 million is expected to be recognized in the remainder of calendar 2025 including an estimated \$9.5 million of contracted backlog and \$3 million in expected near-term awards, renewals and anticipated additional business. The remaining contract backlog consists of multi-year service and software agreements, along with project revenues extending beyond 2025, related to Duos Technologies, Duos Edge AI, and Duos Energy.

Based on these committed contracts and near-term pending orders that are already performing or scheduled to be executed throughout the course of 2025, the Company is reiterating its previously stated revenue expectations for the fiscal year ending December 31, 2025. The Company expects total revenue for 2025 to range between \$28 million and \$30 million, representing an increase of 285% to 312% from 2024. Duos expects this improvement in operating results to be reflected over the course of the full year in 2025.

Management Commentary

"I am very pleased with the continuous improvement in Duos' results this year," said Chuck Ferry, Duos CEO. "Having embarked on the strategic shift to becoming a data center provider for the rapidly growing market for edge computing, we are well positioned to capture market share for products and services related to this important industry. I also welcome our new senior management and latest addition to our Board to assist in realizing the potential in 2026 and beyond".

Conference Call

The Company's management will host a live conference call today, November 12, 2025, at 4:30 p.m. Eastern time (1:30 p.m. Pacific time) to discuss these results, followed by a question-and-answer period.

Date: Wednesday, November 12, 2025

Time: 4:30 p.m. Eastern time (1:30 p.m. Pacific time)

U.S. Dial-in: +1 904-300-2288

Conference ID: 370 925 85 #

Event Registration: Join the Live Video Conference

For assistance with registration or to submit questions for management, please email DUOT@duostech.com.

A replay of the conference will be available following the event in the investor section of the Company's website.

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About Duos Technologies Group, Inc.

Duos Technologies Group, Inc. (Nasdaq: DUOT), based in Jacksonville, Florida, through its wholly owned subsidiaries, Duos Technologies, Inc., Duos Edge AI, Inc., and Duos Energy Corporation, designs, develops, deploys and operates intelligent technology solutions for Machine Vision and Artificial Intelligence ("AI") applications including real-time analysis of fast-moving vehicles, Edge Data Centers and power consulting. For more information, visit www.duostech.com, www.duosedge.ai and www.duosenergycorp.com.

Forward- Looking Statements

This news release includes forward-looking statements regarding the Company's financial results and estimates and business prospects that involve substantial risks and uncertainties that could cause actual results to differ materially. Forward-looking statements relate to future events and typically address the Company's expected future business and financial performance. The forward-looking statements in this news release relate to, among other things, information regarding anticipated timing for the installation, development and delivery dates of our systems; anticipated entry into additional contracts; anticipated effects of macro-economic factors (including effects relating to supply chain disruptions and inflation); timing with respect to revenue recognition; trends in the rate at which our costs increase relative to increases in our revenue; anticipated reductions in costs due to changes in the Company's organizational structure; potential increases in revenue, including increases in recurring revenue; potential changes in gross margin (including the timing thereof); statements regarding our backlog and potential revenues deriving therefrom; and statements about future profitability and potential growth of the Company. Words such as "believe," "expect," "anticipate," "should," "plan," "aim," "will," "may," "should," "could," "intend," "estimate," "project," "forecast," "target," "potential" and other words and terms of similar meaning, typically identify such forward-looking statements. Forward-looking statements involve risks and uncertainties and there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the Company's ability to generate sufficient cash to expand operations, the competitive environment generally and in the Company's specific market areas, changes in technology, the availability of and the terms of financing, changes in costs and availability of goods and services, economic conditions in general and in the Company's specific market areas, changes in federal, state and/or local government laws and regulations potentially affecting the use of the Company's technology, changes in operating strategy or development plans and the ability to attract and retain qualified personnel. The Company cautions that the foregoing list of risks, uncertainties and factors is not exclusive. Additional information concerning these and other risk factors is contained in the Company's most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other filings filed by the Company with the U.S. Securities and Exchange Commission (the "SEC"), which are available at the SEC's website, <http://www.sec.gov>. The Company believes its plans, intentions and expectations reflected in or suggested by these forward-looking statements are based on reasonable assumptions. No assurance, however, can be given that the Company will achieve or realize these plans, intentions or expectations. Indeed, it is likely that some of the Company's assumptions may prove to be incorrect. The Company's actual results and financial position may vary from those projected or implied in the forward-looking statements and the variances may be material. Each forward-looking statement speaks only as of the date of the particular statement. We do not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any forward-looking statement is based, except as required by law. All subsequent written and oral forward-looking statements concerning the Company or other matters attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above.

Contacts**Corporate**

Fei Kwong, Director, Corporate Communications

Duos Technologies Group, Inc. (Nasdaq: DUOT)

904-652-1625

DUOT@duostech.com

DUOS TECHNOLOGIES GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended September 30, 2025	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
REVENUES:				
Technology systems	\$ 263,910	\$ 1,686,456	\$ 369,991	\$ 2,221,310
Services and consulting	1,436,568	1,552,454	3,335,560	3,598,776
Services and consulting - related parties	5,152,805	—	13,827,958	—
Hosting	24,000	—	32,000	—
	<u>6,877,283</u>	<u>3,238,910</u>	<u>17,565,509</u>	<u>5,820,086</u>
COST OF REVENUES:				
Technology systems	340,926	947,563	921,405	2,311,912
Services and consulting	545,127	1,372,248	2,170,379	2,709,007
Services and consulting - related parties	3,440,635	—	9,075,172	—
Hosting	34,193	—	49,536	—
	<u>4,360,881</u>	<u>2,319,811</u>	<u>12,216,492</u>	<u>5,020,919</u>
GROSS MARGIN	<u>2,516,402</u>	<u>919,099</u>	<u>5,349,017</u>	<u>799,167</u>
OPERATING EXPENSES:				
Sales and marketing	253,779	471,411	966,394	1,737,353
Research and development	115,080	396,610	846,850	1,168,752
General and administration	3,263,523	1,971,358	9,882,064	5,790,804
	<u>3,632,382</u>	<u>2,839,379</u>	<u>11,695,308</u>	<u>8,696,909</u>
LOSS FROM OPERATIONS	<u>(1,115,980)</u>	<u>(1,920,280)</u>	<u>(6,346,291)</u>	<u>(7,897,742)</u>
OTHER INCOME (EXPENSES):				
Interest expense	(29,334)	(116,396)	(439,260)	(117,991)
Change in fair value of warrant liabilities	—	245,980	—	245,980
Gain (Loss) on extinguishment of debt	(95,718)	379,626	(95,718)	379,626
Interest income on lease receivable	3,665	—	4,912	—
Interest income	200,607	7,130	240,215	29,707
Other income (loss), net	(3,494)	2,277	(1,806)	2,277
	<u>75,726</u>	<u>518,617</u>	<u>(291,657)</u>	<u>539,599</u>
NET LOSS	<u>\$ (1,040,254)</u>	<u>\$ (1,401,663)</u>	<u>\$ (6,637,948)</u>	<u>\$ (7,358,143)</u>
Basic and Diluted Net Loss Per Share				
	<u>\$ (0.06)</u>	<u>\$ (0.18)</u>	<u>\$ (0.49)</u>	<u>\$ (0.98)</u>
Weighted Average Shares-Basic and Diluted				
	<u>17,310,133</u>	<u>7,724,170</u>	<u>13,537,365</u>	<u>7,494,772</u>

DUOS TECHNOLOGIES GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 2025 (Unaudited)	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash	\$ 33,201,498	\$ 6,266,296
Accounts receivable, net	136,286	109,007
Accounts receivable, net - related parties	2,091,667	294,434
Lease receivable	34,898	—
Contract assets	741,722	635,774
Inventory	503,772	605,356
Prepaid expenses and other current assets	533,631	176,338
Note Receivable, net	—	—
Total Current Assets	37,243,474	8,087,205
Inventory - non current, net	196,315	196,315
Lease receivable, less current portion	236,645	—
Property and equipment, net	11,987,162	2,771,779
Operating lease right of use asset - Office Lease, net	3,748,465	4,028,397
Financing lease right of use asset - Edge Data Centers, net	—	2,019,180
Operating lease right of use asset - Land, net	248,438	—
Security deposit	450,000	500,000
OTHER ASSETS:		
Equity Investment - Sawgrass APR Holdings LLC	7,233,000	7,233,000
Intangible Asset, net	8,130,461	9,592,118
Patents and trademarks, net	177,668	127,300
Software development costs, net	142,652	403,383
Total Other Assets	15,683,781	17,355,801
TOTAL ASSETS	\$ 69,794,280	\$ 34,958,677
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 888,792	\$ 969,822
Notes payable - financing agreements	44,233	17,072
Accrued expenses	483,710	373,251
Operating lease obligation - Office Lease -current portion	813,496	798,556
Financing lease obligation - Edge Data Centers - current portion	—	367,451
Operating lease obligation - Land - current portion	32,000	—
Notes payable, net of discount - related parties	—	1,758,396
Contract liabilities, current	2,540,210	3,188,518
Contract liabilities, current - related parties	4,866,500	8,616,500
Total Current Liabilities	9,668,941	16,089,566
Contract liabilities, less current portion	5,937,978	7,399,634
Contract liabilities, less current portion - related parties	904,125	3,616,500
Operating lease obligation - Office Lease, less current portion	3,560,725	3,867,042
Operating lease obligation - Land, less current portion	220,696	—
Financing lease obligations - Edge Data Centers, less current portion	—	1,724,604
Total Liabilities	20,292,465	32,697,346
Commitments and Contingencies (Note 9)		
STOCKHOLDERS' EQUITY:		
Preferred stock: \$0.001 par value, 10,000,000 authorized, 9,441,000 shares available to be designated		
Series A redeemable convertible preferred stock, \$10 stated value per share, 500,000 shares designated; 0 and 0 issued and outstanding at September 30, 2025 and December 31, 2024, respectively, convertible into common stock at \$6.30 per share	—	—
Series B convertible preferred stock, \$1,000 stated value per share, 15,000 shares designated; 0 and 0 issued and outstanding at September 30, 2025 and December 31, 2024, respectively, convertible into common stock at \$7.00 per share	—	—
Series C convertible preferred stock, \$1,000 stated value per share, 5,000 shares designated; 0 and 0 issued and outstanding at September 30, 2025 and December 31, 2024, respectively, convertible into common stock at \$5.50 per share	—	—
Series D convertible preferred stock, \$1,000 stated value per share, 4,000 shares designated; 999 and 1,299 issued and outstanding at September 30, 2025 and December 31, 2024, respectively, convertible into common stock at \$3.00 per share	—	—

Series E convertible preferred stock, \$1,000 stated value per share, 30,000 shares designated; 12,500 and 13,500 issued and outstanding at September 30, 2025 and December 31, 2024, respectively, convertible into common stock at \$2.61 per share	13	14
Series F convertible preferred stock, \$1,000 stated value per share, 5,000 shares designated; 0 and 0 issued and outstanding at September 30, 2025 and December 31, 2024, respectively, convertible into common stock at \$6.20 per share	—	—
Common stock: \$0.001 par value; 500,000,000 shares authorized, 20,322,940 and 8,922,576 shares issued, 20,321,616 and 8,921,252 shares outstanding at September 30, 2025 and December 31, 2024, respectively	20,323	8,921
Additional paid-in-capital	130,644,887	76,777,856
Accumulated deficit	(81,005,957)	(74,368,009)
Sub-total	49,659,267	2,418,783
Less: Treasury stock (1,324 shares of common stock at September 30, 2025 and December 31, 2024)	(157,452)	(157,452)
Total Stockholders' Equity	49,501,815	2,261,331
Total Liabilities and Stockholders' Equity	\$ 69,794,280	\$ 34,958,677

DUOS TECHNOLOGIES GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30,	
	2025	2024
Cash from operating activities:		
Net loss	\$ (6,637,948)	\$ (7,358,143)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment of property, plant & equipment	72,872	—
Depreciation and amortization	1,962,342	1,472,965
Inventory write-off	25,000	—
Stock based compensation	3,103,309	281,405
Stock issued for services	134,333	122,500
Amortization of debt discount related to warrant liabilities	345,886	73,601
Fair value of warrant liabilities	—	(245,980)
Loss (gain) on extinguishment of debt	95,718	(379,626)
Amortization of operating lease right of use asset - Office Lease	279,934	255,684
Amortization of right of use asset - land	2,578	—
Amortization of lease right of use asset - Edge Data Centers	150,821	—
Changes in assets and liabilities:		
Accounts receivable	(27,280)	(138,689)
Accounts receivable - related parties	(1,797,233)	—
Lease receivable	11,229	
Note receivable	—	(5,625)
Contract assets	(105,948)	32,939
Inventory	26,975	197,777
Prepaid expenses and other current assets	120,434	300,271
Accounts payable	(81,030)	1,131,552
Security deposit	50,000	50,000
Accrued expenses	110,458	159,482
Operating lease obligation - Office Lease	(291,376)	(252,557)
Operating lease obligation - land	1,680	—
Financing lease obligation - Edge Data Centers	(12,358)	—
Contract liabilities	(2,109,964)	(1,897,703)
Contract liabilities, related parties	(6,462,375)	—
Net cash used in operating activities	(11,031,943)	(6,200,147)
Cash flows from investing activities:		
Purchase of patents/trademarks	(59,522)	(8,105)
Purchase of property and equipment	(7,813,557)	(1,547,439)
Net cash used in investing activities	(7,873,079)	(1,555,544)
Cash flows from financing activities:		
Repayments on financing agreements	(450,566)	(340,232)
Proceeds from notes payable, related parties	—	2,200,000
Repayments of lease financing	(2,150,000)	—
Repayments of notes payable, related parties	(2,200,000)	—
Proceeds from warrant exercises	—	899,521
Proceeds from common stock issued	53,960,455	197,011
Proceeds from exercise of stock options	144,777	—
Stock issuance costs	(3,579,166)	(78,688)
Proceeds from shares issued under Employee Stock Purchase Plan	114,724	87,348
Proceeds from preferred stock issued	—	2,995,002
Net cash provided by financing activities	45,840,224	5,959,962
Net increase (decrease) in cash	26,935,202	(1,795,729)
Cash, beginning of period	6,266,296	2,441,842
Cash, end of period	\$ 33,201,498	\$ 646,113
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ 191,622	\$ 1,596
Taxes paid	\$ 41,098	\$ 5,432
Supplemental Non-Cash Investing and Financing Activities:		
Debt discount for warrant liability	\$ —	\$ 625,606
Notes issued for financing of insurance premiums	\$ 477,727	\$ 426,661
Transfer of inventory to property and equipment	\$ 49,609	\$ 300,000
Intangible asset acquired with contract liability	\$ —	\$ 11,161,428
Transfer of property and equipment to lease receivable	\$ 282,772	\$ —
Non-cash financing activity: Warrants issued as part of equity raise	\$ 836,989	

Conversion of series E Preferred stock to common stock	\$ 1	\$ —
Transfer of finance lease asset to property and equipment	\$ 1,938,662	\$ —
Right of use asset and liability for land lease	\$ 251,016	\$ —



**Duos Technologies Group, Inc.
Third Quarter 2025 Earnings Video Call
November 12, 2025**

Presenters

Chuck Ferry, Chief Executive Officer
Adrian Goldfarb, Chief Financial Officer
Doug Recker, President
Leah Brown, Senior VP of Accounting

Q&A Participants

Investors
Shareholders

Adrian Goldfarb

Good afternoon. Welcome to Duos Technologies' third quarter 2025 earnings conference call. Joining us for today's event are Duos' CEO Chuck Ferry, myself, CFO Adrian Goldfarb, President Doug Recker and Senior VP of Accounting Leah Brown.

Before getting started with today's program, please direct your attention to some opening remarks from Mr. Ferry.

Chuck Ferry

Thanks, Adrian. We welcome everyone and thank you for joining us. Earlier today, we issued our third quarter earnings press release. Copies are available in the Investor Relations section of our website. I encourage all attendees to view the press release to better understand some of the details we'll be discussing today. As part of our growth this year, we have changed the format of our quarterly earnings call from a standard conference call to a video-based presentation. We hope this new format will enable us to communicate better to our audience and give you better insight as to how our management team operates.

I am very pleased with the results we will share with you today. Our team has been working super hard to pivot the business into the data center and power space and now it's really beginning to pay off.

I would like to make a few comments about what we're seeing in what I will refer to as an arms race for AI computing power. Everyone knows that the hyperscalers and large data center developers are moving as fast as they can to build data center parks that are slated to consume at least 250 megawatts and growing to two gigawatts in some cases. This is an effort to monetize the incredible demand for AI computing. The number one thing that is limiting this growth is the lack of power. That's obviously good news for Duos, since we have a 5% stake in APR Energy. The strategic problem set, however, is the shortfall of power generation assets that can be manufactured to meet the demand. This is causing the hyperscalers to begin to seek alternatives - specifically, edge computing. Why edge computing? Because smaller edge data centers can be put in quickly, they consume much smaller amounts of power, no water, and in a distributed manner, which means they can connect to the grid and not materially impact the local utility grid customers.

Duos is perfectly positioned to address this demand, and we are in discussions with two to three large developers to address more strategic-edged computing opportunities. Another supply chain pain point, not as prevalent in the news, but just as important, is the procurement of smaller items such as fiber, medium voltage cabling, batteries, breaker panels and back-up generators. Large data center builders are frustrated with the long processing times of their traditional suppliers, which is why we have recently added key capabilities to our data center staff that are experts in this area, so we can take advantage of this high growth opportunity, which would also diversify our data center offerings.

I want to give you a reminder of what our strategy has been for the last 18 months and going forward into the next year. First, we are pivoting and focusing our resources into the edge computing space. We are now adding additional data center service offerings that will add even more value for Duos beginning in the fourth quarter and for next year.

Second, the revenues we earned for our asset management agreement with APR Energy, along with a 5% equity stake have given us the financial ability to execute this pivot to our data center strategy. We do not, however, want to be reliant on the Asset Management Agreement as it will conclude in 2026, which is why we are adding additional data center offerings that we'll discuss later today.

Third, we are actively working on options for the future of our railcar inspection portal business, which has remained largely flat for us. The end state for 2026 will be a stand-alone Duos business that is profitable and 100% focused on the data center space with two to three diverse data center offerings and sources of revenues coming from it.

Before getting to the results for Q3, I would like to formally announce some planned senior management changes.

Adrian Goldfarb will formally relinquish his CFO role effective November 15th. Adrian has been our CFO for a second time since May 2024 and served his first tour as CFO starting in April 2015, when Duos became a public company until November of 2022. During this period, he led Duos through the successful uplifting to the NASDAQ in 2020. His most recent tour of duty has been to assist me with executing the strategy I just described. Over the past 18 months, we have accomplished a complete transformation of Duos, with the establishment of Duos Edge AI and closing the deal with APR Energy and Fortress Investment Group. Adrian has been a good mentor for me and I appreciate him teaching me the ropes on running a public company. Adrian has been a consummate financial partner for me and he deserves everyone's thanks for our recent successes. I have asked Adrian to once again serve as a strategic advisor for another 12 months to ensure a smooth transition with his replacement and to help sustain the momentum we have now.

Stepping up into the CFO role is Leah Brown, who has been our number two finance leader for the last three years. Leah had significant experience with other larger companies before joining us. Here at Duos, she has played a key role in leading our finance team to meet the complexities of managing three diverse lines of business. Congratulations, Leah, and I look forward to working with you in your new role.

I would like to make a few comments regarding APR Energy. As has been previously discussed, I currently serve as CEO to both Duos and APR, and note that both companies have made significant progress this year. For Duos, the Asset Management Agreement has been a major success and contributor to Duos's growth during this transition. During the next several months, APR in conjunction with Duos will be establishing independent operations. While the short-term effect of this may be for Duos to record less revenues in 2026 from the Asset Management Agreement, Duos' growth in the data center market from the edge deployments supplemented by new initiatives into that market are expected to more than offset any lower revenues from the AMA. With lower overall costs and expected higher margins, we anticipate that Duos will record further growth in 2026 along with full year profitability on an Adjusted EBITDA basis. Leah and Doug will be commenting on our progress and growth plans in a moment.

This concludes my formal remarks. And before turning the call over to Doug and Leah, I'd like to ask Adrian to give his perspective and closing remarks. My thanks again to all shareholders for your support. I'll be happy to take questions at the end of our formal remarks. Adrian.

Adrian Goldfarb

Thank you, Chuck. As was just mentioned, I will be retiring again from the position of CFO. Before I say farewell, I would like to give my perspective on where the company is today and how well I believe we are positioned for strong growth in the years ahead.

In the past few years, Duos has invested heavily in both technology and operating capabilities. These strengths have allowed us to tackle complex projects and therefore positions us to capture many new opportunities by the end of 2025. We will have deployed 15 of our edge data centers, achieved the highest revenues for a single year, executed multiple power projects and begun a push into the market for data center equipment to bolster our EDC business.

As Chuck mentioned, I will continue to be engaged with Duos for the next 12 months, primarily to aid in the transition, and I plan to work closely with the senior management team to assist as necessary. I will be succeeded by Leah Brown, currently Senior VP of Accounting, who will assume the title of CFO effective November 15th. Leah has been the mainstay of the Duos financial team for the past three years and has done an outstanding job of building out our capabilities and providing support for me as we navigated the capital markets in order to get Duos properly funded, which was achieved this summer. Leah will give her remarks now, including guidance, but I am pleased to report that with the actions senior management has taken over the last 18 months, we have achieved positive Adjusted EBITDA for Q3, one quarter ahead of our projection.

Congratulations to everyone involved in this milestone achievement and with that, I will now ask Leah to give the financial report for Q3. Over to you, Leah.

Leah Brown

Thank you, Adrian and Chuck. I especially want to express my heartfelt gratitude to Adrian for his leadership and many contributions over the years, and to share my appreciation as he prepares for his planned retirement. I look forward to continuing the strong relationship we've built as we move forward. Before presenting the formal financial report, I have a few opening remarks.

In our last call, Adrian emphasized that the company's strategic pivot has positioned us in a completely different place compared to where we were this time last year. Working together with the management team, we've grown the business to a point where revenues for the first nine months of this year is already higher than any full year in our history. We are proud of this milestone. It reflects the strength of our strategy and sets us up for continued growth and even better results in the years ahead.

As Adrian mentioned, we've achieved Adjusted EBITDA profitability one quarter earlier than originally anticipated. We continue to evaluate our cost structure across the three subsidiaries and during the third quarter, we implemented targeted staff reductions related to the rail business that are expected to deliver accretive benefits in the fourth quarter and beyond.

As Chuck mentioned, we are restructuring the rail business and reallocating resources to further support the growth in the Edge Data Center segment. Doug will share more details on the progress of our Edge Data Center strategy. Keeping that in mind, I'll now share the results for the third quarter and first nine months of this year.

Total revenues for Q3 2025 increased 112% to \$6.88 million compared to \$3.24 million in Q3 2024 and for the nine months ended 2025, total revenues increased 202% to \$17.57 million from \$5.82 million in the same period last year. A significant portion of our Q3 2025 revenue, approximately \$6.59 million, came from recurring services and consulting. Of this amount, \$5.15 million came entirely from Duos Energy's execution of the Asset Management Agreement with APR Energy. Under this agreement, we manage the deployment and operation of a fleet of mobile gas turbines and related balance of plant inventory, while also providing management, sales and operational support services to APR.

Cost of revenues for Q3 2025 increased 88% to \$4.36 million compared to \$2.32 million for Q3 2024 and for the nine months into 2025. Cost of revenues increased 143% to \$12.22 million from \$5.02 million in the same period last year. The cost of revenues for the technology systems continues to decline compared to the same periods in 2024. This is primarily because we've been able to reallocate certain fixed operating and servicing costs to support the Asset Management Agreement, something we couldn't do last year because the agreement was not in place.

Gross margin for Q3 2025 increased 174% to \$2.52 million compared to \$919,000 for Q3 2024 and for the nine months into 2025 increased 569% to \$5.35 million from \$799,000 in the same period last year. Gross margin improved, primarily due to Duos Energy executing against the AMA, providing staffing and oversight of APR projects, including deployments in Mexico and Tennessee.

This includes over \$904,000 in revenue recognized during the three months ended September 30th, 2025 that was related to the Company's 5% non-voting equity interest in the ultimate parent of APR, which carried no associated cost and therefore contributed at 100% margin. This also included \$547,000 in revenue from deployment services. These revenues and related margin contributions were not a part of last year's results. As we've discussed on previous calls, increased business from the AMA has strengthened gross margin and we expect additional improvements driven by higher profitability on work Duos will perform for New APR.

Operating expenses for Q3 2025 increased 28% to \$3.63 million compared to \$2.84 million for Q3 2024. And for the nine months into 2025, operating expenses increased 34% to \$11.7 million from \$8.7 million in the same period last year. The increase in expenses is mainly due to non-cash stock-based compensation related to restricted stock granted to the executive team on January 1st, 2025 under their new employment agreements, which include a three-year cliff vesting schedule.

Overall sales and marketing costs continue to decline as resources are allocated to cost of services and consulting revenues in support of the AMA with APR.

Research and development expenses declined by 28% reflecting the completion of deployment and testing for prospective technologies. The Company remains focused on stabilizing operating expenses by implementing targeted reductions where appropriate, while continuing to meet the growing demands of our new businesses.

Net operating loss for Q3 2025 totaled \$1.12 million compared to a net operating loss of \$1.92 million in Q3 2024 and for the nine months ended 2025, net operating loss totaled \$6.35 million compared to a net operating loss of \$7.9 million in the same period last year. The reduction in operating losses is primarily driven by higher revenues compared to the same periods last year, largely due to Duos Energy's revenue from the AMA with APR.

Net loss for Q3 2025 totaled \$1.04 million compared to net loss of \$1.4 million for Q3 2024. The 26% reduction in net loss is driven by significantly higher revenues and a slower increase in expenses overall. This is because staffing costs are spread across a broader range of businesses, a trend we expect to continue.

For the nine months ended 2025, net loss totaled \$6.64 million or negative (\$0.49) per share, compared to a net loss of \$7.36 million or negative (\$0.98) per share, in the same period last year.

In previous reports, we didn't include non-GAAP financials because they didn't provide much insight into our performance. At the request of several shareholders, Adrian has approved, and I agree, to start and continue reporting these financial results. For the first time, we're including EBITDA and Adjusted EBITDA summaries, which will be disclosed in the MD&A section of our Q3 10Q.

For Q3, one quarter ahead of prior guidance, we achieved full quarter profitability on an Adjusted EBITDA basis, totaling a little over \$491,000. This figure reflects adjustments to our GAAP net loss of just over \$1.5 million, including approximately \$560,000 in depreciation and interest expense, plus about \$969,000 in non-cash stock compensation, resulting in an Adjusted EBITDA margin of 7%. We will continue reporting these metrics in future financial reports.

I'm pleased to share that the Company has achieved significant improvements on the balance sheet as of September 30th, 2025. In the third quarter, as a result of our capital raises, we now have over \$35 million in cash and short-term receivables. Conversely, in Q3 2024 we reported \$6.7 million in cash and short-term receivables. This year-over-year increase marks a major improvement in our liquidity position, up approximately 422%.

We also paid off all outstanding debt and master capital leases, leaving us with nearly \$12 million in fixed assets with the edge data centers that are now being deployed as the primary component. Shareholders' equity now stands at nearly \$50 million in Q3 2025 compared to just \$2.3 million in Q3 2024. This strong improvement reflects growing investor confidence and positive sentiment toward our long-term strategy.

As previously discussed, a significant asset for Duos is the equity investment in Sawgrass APR Holdings, the parent of New APR. Our 5% equity holding in this business continues to be conservatively valued at over \$7.2 million and is expected to generate profits in future years, as a profits interest structure. We expect the value of our equity holdings to continue to increase over the coming year.

We've also seen a significant decrease in current liabilities from around \$16 million at the beginning of the year to under \$10 million as of this reporting period. As mentioned earlier, Duos currently has no debt.

Next, I'd like to share an update on our backlog and pipeline. With expected revenues from managing and operating New APR Energy upcoming deployments of our edge data centers and current as well as anticipated rail contracts, our backlog represents nearly \$26 million in revenue. Of that, about \$9.5 million or more is projected to be recognized in Q4 2025. In addition, we expect another \$4 to \$5 million in near-term awards and renewals, signaling continued growth and strong demand for technology solutions, which Doug will cover later in the call.

As our business continues to grow, I'll keep providing backlog updates in future earnings calls. I'm confident in our 2024 guidance and in our outlook for 2026 and beyond 2025. Sorry, in 2025 guidance.

During our last call, we confirmed our annual revenue guidance and I'm pleased to report that we remain on plan. We expect consolidated revenue from our three subsidiaries to be between \$28 million and \$30 million. Having achieved Adjusted EBITDA profitability in Q3, we're confident we can maintain profitability going forward.

This concludes my formal remarks. Now I'll turn the call back over to Chuck for his commentary.

Chuck Ferry

Thank you very much, Leah.

I look forward to seeing you take charge as the CFO and I'd also like to introduce Doug Recker as the newly appointed President of Duos Technologies Group. As you know, Doug has many years of experience in the data center space and has previously served as a CEO and founder in two previous successful companies. I am very fortunate to have him with our team at this most opportune time.

After successfully establishing our Duos Edge AI subsidiary, Doug is now turning his attention to adding accretive business in the data center market. As President of Duos, I have asked Doug to oversee the operational growth and transition as we descope some of our activities and replace these with new business opportunities in the data center market where we are actively growing our presence, I would like now to ask Doug to give his remarks on our plans for the future.

Over to you, Doug.

Doug Recker

Thanks, Chuck, and welcome shareholders and analysts to the participating on this call. Let me first introduce myself. I've spent the last majority of the last 30 years working in the data center world. My experience covers both the colocation space as the founder of Colo5 data centers, which was eventually sold to Cologix, and more recently as the founder of Edge Presence, an Edge data center operator which was sold to Ubiquity.

Although joining the Duos team in 2024, I've had a relationship with the Company going back a number of years starting when Duos was a client of mine at Colo5. When Duos created the Railcar Inspection Portal, I assisted with the design and supply of the edge data centers, or "pods" as we call them, a key component of that solution. Duos went on to install 14 pods providing critical computing capabilities for processing millions of images trackside in close to Realtime.

Given the success of that concept, I approached Chuck and suggested that we expand this idea to serve other industries with growing processing demands, especially in Tier 3 and Tier 4 data center markets. These organizations often rely on small, outdated, in-house data centers that are costly and inefficient. By deploying our modular edge data centers, we can now give them a scalable on-grid high-performance solution that dramatically improves compute capacity while lowering costs.

A great example of this is our first deployment for Region 16 Education Service Center in Amarillo, TX. Region 16 serves 60 school districts and three charter schools with 226 campuses, in the Panhandle of Texas, mostly in rural areas which previously ran their own data centers. By transitioning to our purpose-built, zero-water, enterprise SOC 2 module Duos Edge facility, they've improved performance, reliability and uptime all while cutting their IT budget and establishing reliable connectivity for their distance learning network. For Duos, this site now serves as a micro data Center for the broader region, supporting local carriers and creating a long term stream of recurring revenue.

Now, what really positions us for the future is our newly granted US patent, the Entryway for a Modular Data Center. This is a major step forward in how modular data centers can operate and deploy and maintain. It introduces clean room level environment protection that keeps out dust, dirt and moisture, a critical advantage in rural and harsh environments. Even more importantly, our design requires no water for cooling and operates fully on grid, which not only improves energy efficiency, but also supports sustainability and reliability. The entry serves as not only as a clean room to protect the hardware with the pods, but also the security mantrap entry to the data center. Security in the data center is one of the most important features offered.

Duos was able to incorporate all of the security requirements into the clean room design to allow the strict auditing standard needed for entry into the data center. This will ensure Duos to receive SOC 2 compliance and opens our sites up to additional customers in finance, healthcare and many others.

In essence, we're not just deploying data centers, we're building the next generation of mini carrier hotels that will form the backbone of tomorrow's digital infrastructure. These facilities bring compute and network power closer to the end user, reducing latency, improving connectivity and positioning Duos to play a central role in enabling the AI driven economy of the future. With that in mind, I would like to spend the remaining time discussing the current progress in the edge computing business and some new initiatives that are being developed to drive Duos revenue growth in 2026 and beyond.

The Company has set a goal to have 15 data centers installed by the end of the year. While this was always a stretch goal, I am pleased to report that we are well on way to accomplishing this with six in place today, four more to be installed this month and the final five to be placed by the end of the year. I am pleased to report that in conjunction with the additional resources that we have put in place to support this growth, we have closed our first Edge data center to be located outside the state of Texas and are beginning to address other states as well as add operation capabilities to support this expansion.

The staffing addition includes operations, sales, marketing with the focus to specific industries such as the telecommunication and fiber companies and further IT Technical Support. These additional resources are largely funded by already implemented cutbacks in the other Duos markets, notably rail.

Turning to the long-term growth of Duos, I'm conscious, although the AMA with APR has been a huge success and very much assisted us with all the pivot to the data center market, we do not expect to rely on this in 2026 for our growth.

As Chuck mentioned in his introductory remarks, APR is moving to establishing its own operational platform. This provides a number of benefits to Duos, namely that we can begin to focus on additional markets within the Edge data center space and other related revenue sources.

With that in mind, I am pleased to announce that our Duos Technology company is in the process of hiring a team and has begun to seek business opportunities as expansion of our effort in the overall data center market.

As you all no doubt aware, there's a major push for the largest companies in the US to invest significant amounts of capital building out data centers, services, expected demand, AI, and the associated processing of data related to that.

Our newest business will be called Duos Technologies Solutions. It will operate as a strategic sourcing partner and its goal is to provide infrastructure equipment service to these companies looking to scale up. Duos Technologies Solutions will provide fast, flexible and tailored approaches to servicing its customers with key manufacturing partnerships, unprecedented industry knowledge and unmatched customer service.

By bringing products and procurement in-house for both internal consumption and for resale, we expect to leverage the vendor relationships into a significant growth opportunity for Duos as well as higher margin potential. While it's early stages for those efforts, we expect a fast start with new opportunity including contributions to revenue beginning in this quarter.

I expect to have more commentary on the progress of this new line of business in the next few months, but just as a teaser, we are already active, have secured relationships with multiple manufacturers, customers, some of which we announce in the next coming weeks.

In conclusion, our business commercially and financially is in a position to take advantage of the ongoing demand coming from the data center growth driven by expected need for the data center processing and high-speed communication. As we transition from our single industry focus on rail to a broad range of solutions in the edge computing and now mainstream data center business, I expect to report on a series of improved financials with sustainable profitability and thank our business partners, institutional and retail investors, Board of Directors and our long term shareholders for their continued support.

The outlook for Duos continues to look very promising and I'm honored to be chosen to lead it going forward.

Thank you for listening and we'll now open the question the call for questions.

Adrian Goldfarb

Thank you very much. That concludes our formal remarks. We will now be open for questions and once we have the first question, we'll repeat that question and then sign appropriate answer.

OK, the first question is coming in.

How is growing demand from AI and cloud customers affecting your business? Are you noticing any changes in what customers need or the size of the deals?

Chuck Ferry

Yeah, I'll start and then I'll let Doug clean up. The growing demand from AI and cloud customers is affecting both Duos and APR Energy just in a fabulous way. Obviously we're engaged with a number of hyperscalers, data center developers, all of them are calling you know for more computing power. And again, as I said earlier in my comments, what we're seeing is that the large hyperscalers are going to be challenged to find enough power to scale out their large box data centers at the scale they really want and so they are seeking those alternatives and that's why I made those comments about the edge, and turn it over to Doug, as it relates to our Duos.

Doug Recker

Right. That's great. The core really what we're doing is we're building out the network infrastructure in these Tier 3 and Tier 4 markets that don't have the connectivity, don't have the peering to actually make these AI applications work. For them to feel and be able to use the apps and to be able to use true AI, they need a better, more robust network. So we're building the infrastructure, the core to make that happen for the future. So when we go into a market and we drop a pod, we drop a 15 cabinet, 300 KW pod, our goal is to bring the carriers in with the customers. So, as the carriers come in, they cross kick, they start to peer. You build that big infrastructure out in that market and then you lock that market down. So everybody basically will come to you to cross connect to get access to that network.

Chuck Ferry

And Doug, for us non data center experts, when you say those Tier 3, Tier 4 markets, we're really talking about underserved rural markets that just don't really have the access to the data like some of us enjoy today.

Doug Recker

Correct. Yes. And in those markets, let's just say a Corpus Christi or a Lubbock or Amarillo, Texas in those markets, it doesn't make sense to build a \$30 or \$50 million carrier hotel or a data center. What does make sense is to build modular and when you build modular out, you build the nucleus, you build that first power and network facility out and then you grow from there.

So, what our plan is we deploy these, we bring that main carrier connection point and then you put pods to it. When you add more pods, you add more customers. So you can grow those pods and build basically as much network as you want and take it down as the customers need it.

Chuck Ferry

Perfect. Thanks, Doug.

Adrian Goldfarb

OK, very good.

The next question. You reported 112% year over year revenue increase and positive Adjusted EBITDA this quarter. Can you elaborate on what drove this performance and how sustainable this trajectory looks heading into 2026?

Chuck Ferry

Yeah, I'll take that one. Based on Leah's comments, we've been very fortunate this year to have gotten into the deal with New APR Energy and Fortress Investment Group. That's our asset management agreement where the Duos staff that has a lot of expertise and former folks that have worked at APR has you know been you know commercially striking contracts, maintaining and deploying those assets and then operating and maintaining them on site.

So APR has had a terrific year because of the demand and power and that has resulted in you know us hitting the revenue projections that we expected for the asset management agreement. Like I said though, I want to reiterate we all of us here at Duos recognize that the asset management agreement is a two-year agreement and so you know we're already you know pretty much through the first year and we determined probably about the middle of this last year that hey, we need to make plans such that when we, when the asset management agreement ends, we'll be able to replace that with meaningful, you know, revenues, a mix of revenues and we are confident that that's going to come not only from the edge data center businesses as deployments grow, but also from some of this new infrastructure business that that Doug's kind of given us a teaser about. So, we remain highly confident that we'll finish this year in the guidance range that we talked about and next year will be even better and more profitable.

Adrian Goldfarb

Very good. Next question from a shareholder. You've highlighted progress toward 15 edge data center deployments this year. Can you update us on the current progress and timing for the remaining installations and are there any constraints on the supply chain?

Doug Recker

Yeah, I'd love to take that.

So yes. So, we're actually hitting on all cylinders. So, we have six of them on the ground. We have four of them actually coming off the factory this month that are going straight to the site. And then we have five more coming off the factory at the end of this month and early December. They're all allocated to go to specific markets where the pads are being poured. So, we're on track. Actually, our funnel is a lot deeper than that, but we didn't want to push it. So we're hitting the 15. And as far as procurement of our product, what's great about the niche that we're in is like I said earlier, these pods are 300 KW, so they're not 210, 15 Meg pods. So almost everything that we put inside this pod is, I want to say, almost off the shelf. Our lead times aren't that long, so getting into a market, deploying the pod is a lot easier when you're going after 300 KW instead of going after 10 Meg and so everything that's being built, all the infrastructure inside these pods is pretty quick turn around. So we're lucky with that.

Adrian Goldfarb

Great. Next question comes from an analyst. With your new modular data center patent now granted, how does this technology enhance your competitive advantage and how do you intend to monetize it?

Doug Recker

I guess that's I would love to take that one. We worked real hard on that.

Chuck Ferry

Yeah, it's your invention.

Doug Recker

Yeah, we worked real hard on that patent.

So, it's a wonderful piece. So basically, what we've learned over the years of deploying tons of these pods, what you'll find is over two years, three years, the pressure is so strong inside these pods. So, you're putting, you know, 90 ton of cooling in 200 square feet. So, when you open the door, it pressurizes, but it does bring in dust, especially in these harsher environments and what happens over time is those servers, you start to notice they're getting dust on those servers and it depends on which market they're in. Texas is very they have a lot of dry dust. So, what'll happen is those Dell servers or Cisco routers, all that stuff will start getting dust on it and they start saying, well, we're not going to honor their warranties because this is not natural. So, what we've done is we've created basically what's called a clean room. So, when you open the first door, you walk into the pod and it cleans basically everything off you. Air blows, it filters the air, and it runs for about 30 seconds and then a green light will come on and it lets you know you could open the next door, but inside that clean room also works as an auditing standard. So, we know who is in the pod. It has the AI where it comes down on the customer and it realizes that that's a backpack on their back, not another person. So that's why when we get our SOC 2 audits on all these pods, we can do financial, we can do healthcare. You can't do that in a pod with anybody else. Without having this room, I don't know how you're going to compete in these markets. Especially nowadays, a cabinet can be \$2 million worth of gear. So, customers want that clean environment and now we can provide that with that patent.

Adrian Goldfarb

Very good. Next question is how is growing demand from AI and cloud customers affecting your business? Are you noticing any changes in what customers need or the size of the deals?

Chuck Ferry

So, I think this is kind of a repeat question, but Doug, maybe we can just talk about the size of the deals, right? Because we're talking, you know, initial deals are kind of smaller, with the Texas school regions, but just maybe a flavor, we don't want to give away too much, but

Doug Recker

Sure,

Chuck Ferry

some of the larger deals that we're kind of talking about

Doug Recker

Sure. Yeah. So obviously our core business is to launch into these Tier 3, Tier 4 markets and to build the infrastructure out. So, we obviously partner with the school systems in that area and healthcare providers, and the hospitals, but as you're building out that core infrastructure, remember the key here is you're bringing the carriers in and now there's multiple carriers in your pod. And what happens now is hyperscalers or anybody that actually wants to compute can come out and piggyback against these pods. So prime example, say somebody needs 5 Meg. We can actually build a 5 Meg, two pods, 5 Meg in 120 days and deploy that a lot quicker than you can deploy a 30 Meg site. So, what we're seeing and we're getting interested in the calls that we're receiving are, hey, can you do 5 Meg here? Can you do 5 Meg in this town? So, they're actually starting to disperse because they can deploy this power and these pods in about 120 days. So, we're actually actively looking at an application now for that need.

Adrian Goldfarb

OK, so this will be the last question. Excuse me, where are you prioritizing your target markets for edge deployments and what factors guide your regional expansion strategy?

Doug Recker

I'd love to take that.

So really the proof of concept was the education sector, and we started out in Amarillo, TX and actually our great partners at Region 16 helped us educate the market, helped educate the state. So we're very excited to announce we actually have our first contract outside of the state of Texas, which is in Illinois. So, we're going into Illinois here now. And what's driving that is basically a lot of the education sector because they want that connectivity, especially in the outskirts, the markets, the Tier 3 and Tier 4 markets. They want to have better access to AWS's platform. And what's happening there is once again, you're creating this peering, you're creating this better network because even the folks in Tier 3 and Tier 4 markets use the same kind of bandwidth and the kids and everybody are using ChatGPT, they're using Snapchat. They're all using the same thing everybody else is in Tier 1 markets. So this is actually helping those providers as well.

Adrian Goldfarb

OK, at this time, this concludes our question and answer session. I'd like to now turn the call back over to Mr. Recker for any closing remarks he may have.

Doug Recker

Thank you all for joining us for the Duos Technologies Group Third Quarter 2025 Earnings Call. Any unanswered questions from the Q&A participants will receive feedback via e-mail. We now conclude today's earnings call. You may disconnect.

Thank you.