

GLOO: Gloo's own filings make the short case.

We are short GLOO. A going-concern warning, growth that was mostly bought, and a CEO on every side of the table.

TICKER	PRICE	MARKET CAP	POSITION	AUTHOR
GLOO Nasdaq	\$3.26 Oct 15 close	~\$298mm	Short	Guardian Research LLC

On July 8, Gloo Holdings sold 7 million new shares at \$3.25. Eight months earlier it had priced its IPO at \$8.00. CEO Scott Beck bought 1,076,923 of the new shares with his own money.

Two months later, Gloo's quarterly filing said the same thing its April 10-K had said: there is substantial doubt the company can continue as a going concern.

We spent the last week inside Gloo's SEC filings. Most of what follows is the company's own words and numbers. Where we infer or estimate, we say so.

— The short version

1. Gloo's going-concern warning is live. The [10-Q for the quarter ended July 31, 2026](#) says there is substantial doubt about its ability to continue as a going concern. Cash was \$39.3mm against a first-half operating cash burn of \$28.0mm.
2. Without the July follow-on, cash would have been about \$15.9mm at July 31 (our arithmetic from the cash flow statement). The offering priced 59% below the IPO.
3. The material weaknesses flagged for the years ended January 2024 and 2025 were still open at July 31, 2026. The proxy discloses one in revenue-recognition controls. Gloo dismissed its prior auditor, Plante & Moran, in October 2024 and had Crowe re-audit two years.
4. Headline Q2 growth was 188%. On Gloo's own pro forma table, with every acquisition owned in both periods, Q2 revenue rose about 60%.
5. About 76% of Q2 revenue came from advertising, consulting-style platform solutions and marketplace lines earning gross margins of 16% to 26% before D&A. The newest deal is a Workday implementation partner.

6. Strip goodwill, intangibles and capitalized software from equity and tangible equity is about negative \$34mm.
7. Beck controls 53.3% of the vote, per the July prospectus. Entities he controls have been Gloo's senior secured lender, the landlord on its Boulder office leases and a paid vendor Gloo later bought.
8. Beck, his wife and his trust have agreed to buy back stock from at least ten named investors and deal sellers at prices the 13D puts at \$18 to \$27 a share. Some windows open in 2027. The stock closed at \$3.26 on October 15.
9. A 10% holder, Thrivent, was selling in September. Every one of the five analysts covering GLOO was an underwriter on the IPO or the follow-on.
10. Gloo should become eligible for an S-3 shelf around November 20 (our inference). In our opinion the next raise is the catalyst, and at roughly 1.6x guided revenue the stock isn't priced for one.

— What Gloo already admits

You don't need a whistleblower for the first half of this. Gloo wrote it.

Going concern. Note 1 of the 10-Q says management concluded there is "substantial doubt about its ability to continue as a going concern." Management adds that it believes it can raise more capital, with no assurance it can. The [10-K](#) carried the same warning, next to a \$158.7mm net loss on \$94.7mm of revenue for the year ended January 31, 2026.

Controls. The material weaknesses identified for the years ended January 31, 2024 and 2025 "continued to exist as of July 31, 2026," per the 10-Q. The [2026 proxy](#) says Gloo dismissed Plante & Moran on October 1, 2024 and hired Crowe on November 22, 2024 to re-audit fiscal 2023 and 2024. It discloses a material weakness in which revenue-recognition controls (around variable consideration) were not in place to catch a material misstatement. The proxy also states there were no disagreements with Plante & Moran. For a company sold on revenue growth, that's the weakness you least want.

Voting control. Class B stock carries ten votes a share. After the July offering Beck controls 53.3% of the vote, per the [July prospectus](#). Gloo has the right to use Nasdaq's controlled-company exemption, which would let it drop the majority-independent-board requirement. To be fair, the 10-Q says Gloo does not expect to rely on it today.

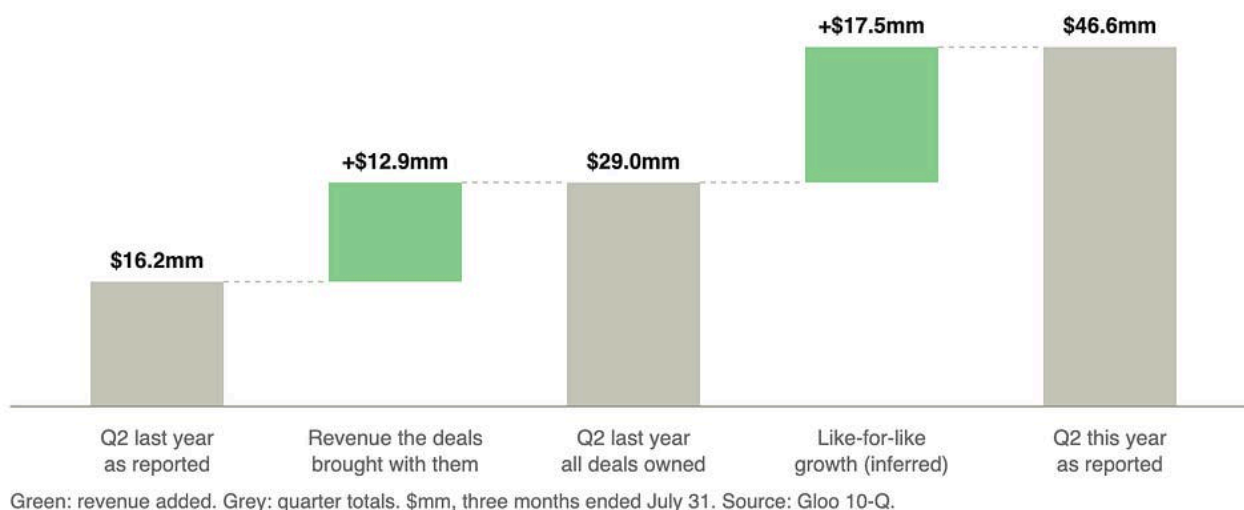
And the roll-up has written deals down before. Acquisitions were about 56% of revenue in the year ended January 2026, per the 10-K, and the prior year carried a \$27.8mm goodwill impairment.

— Growth is bought

Q2 revenue was \$46.6mm, up 188%. That's the press release number. The 10-Q's business-combinations note has a second one: what last year's Q2 would have been if Gloo had owned every acquired company the whole time. That figure is \$29.0mm.

Deals explain \$12.9mm of the \$30.4mm Q2 revenue gain

Reported growth 188%. Growth against the all-deals-owned base 60%.



Source: Gloo 10-Q, quarter ended July 31, 2026. The like-for-like figure is our inference from Gloo's pro forma table.

On that basis Q2 grew about 60%, and the first half about 62% (\$92.8mm vs \$57.3mm). Even that is generous to Gloo, because it still counts growth inside acquired businesses after Gloo bought them.

Now look at what the revenue actually is.

- Marketplace was \$2.1mm in Q2, down 4% from a year earlier.
- Advertising went from \$3.3mm to \$10.6mm. The 10-K ties advertising to Masterworks' media inventory for Christian audiences, plus Westfall Group, Barna and Outreach. All four are acquisitions.
- Platform solutions went from \$7.4mm to \$22.9mm. This is where we read Gloo 360's services landing, and Gloo 360 was named in the Q2 restructuring that cost \$4.4mm, mostly severance.

The latest deal tells you what Gloo 360 is buying. EMD (WDMarketdesk, LLC) is a Workday Services Partner that implements Workday for clients. Gloo closed it May 1, 2026 for \$16.8mm of fair-value consideration: \$3.0mm cash, \$9.8mm in stock, a \$3.75mm note and a \$0.2mm earn-out. \$12.1mm went to goodwill. EMD contributed \$4.0mm of Q2 revenue, so Gloo paid roughly 1x annualized revenue (our estimate). Keep that 1x in mind.

The deals kept coming after quarter end. Gloo bought the remaining 20% of Midwestern for \$6.6mm and Cedarstone Consulting for 989,117 Class A shares, about \$1.1mm of cash and up to \$1.1mm more. Management raised full-year revenue guidance by \$5mm to \$200mm including Cedarstone.

Only subscription earns a software-like margin

Subscription was \$11.0mm of \$46.6mm. The other 76% earned 16% to 26%.



Three months ended July 31, 2026. Margin = revenue less cost of revenue (which excludes D&A). Source: Gloo 10-Q revenue note.

Source: Gloo 10-Q revenue and cost of revenue by stream.

Blended gross margin before D&A improved to 36% from 25% a year ago. At that level it has to cover \$33.6mm of Q2 product, sales and G&A expense before D&A.

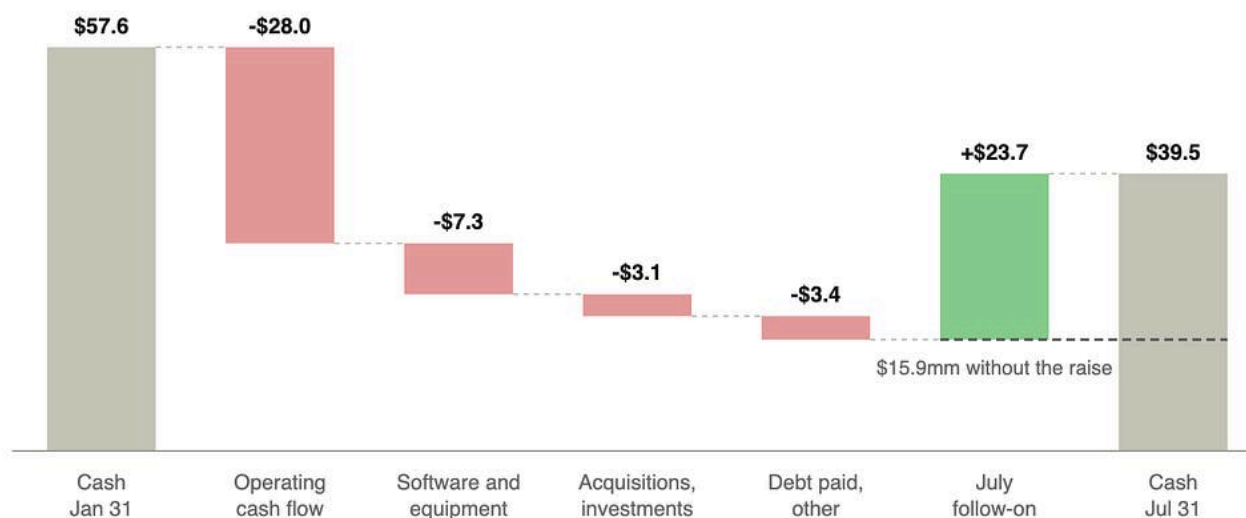
— Adjusted EBITDA vs. cash

The press release leads with adjusted EBITDA of negative \$8.3mm, a third straight quarter of improvement. Net loss was \$21.2mm. The gap is a definition that removes 13 items, including equity compensation, restructuring, "a one-time employee tax credit" and "an opening balance sheet adjustment." Equity compensation alone was \$6.8mm in the first half, double the prior year.

Cash doesn't care about the definition.

Without the July raise, cash would have been \$15.9mm

Cash, equivalents and restricted cash, six months ended July 31, 2026, \$mm



Red: cash out. Green: cash in. Grey: balances. "Debt paid, other" includes \$0.7mm of acquisition liabilities and FX. Source: Gloo 10-Q.

Source: Gloo 10-Q condensed consolidated statement of cash flows.

Operating cash outflow was \$17.1mm in Q1 and \$28.0mm for the half, which puts Q2 at about \$10.9mm (our arithmetic). Add roughly \$3.6mm a quarter of capitalized software and equipment and the business used about \$14.5mm in Q2 before any deals (estimate).

Management guides to adjusted EBITDA of negative \$3.5mm in Q3 and profitability in Q4, and (per a summary of the Q2 call) free cash flow positive in the second half of 2027. Q3 is also the seasonal peak for Masterworks and Westfall advertising, so one strong quarter proves less than it will look like it proves.

— The balance sheet is mostly paper

Total assets were \$271.1mm at July 31. Goodwill was \$119.3mm, intangibles \$38.4mm and capitalized software \$32.1mm. Together that's \$189.8mm, 70% of assets.

Take out the paper and equity is negative \$34mm

Balance sheet at July 31, 2026, \$mm. Total equity includes \$18.7mm of noncontrolling interests.



Red: deductions. Grey: totals. Source: Gloo 10-Q condensed consolidated balance sheet.

Source: Gloo 10-Q condensed consolidated balance sheet.

On equity attributable to Gloo's own stockholders (\$137.2mm), tangible equity is about negative \$52.7mm (our arithmetic).

Two consolidation choices make the reported business bigger than what Gloo owns outright.

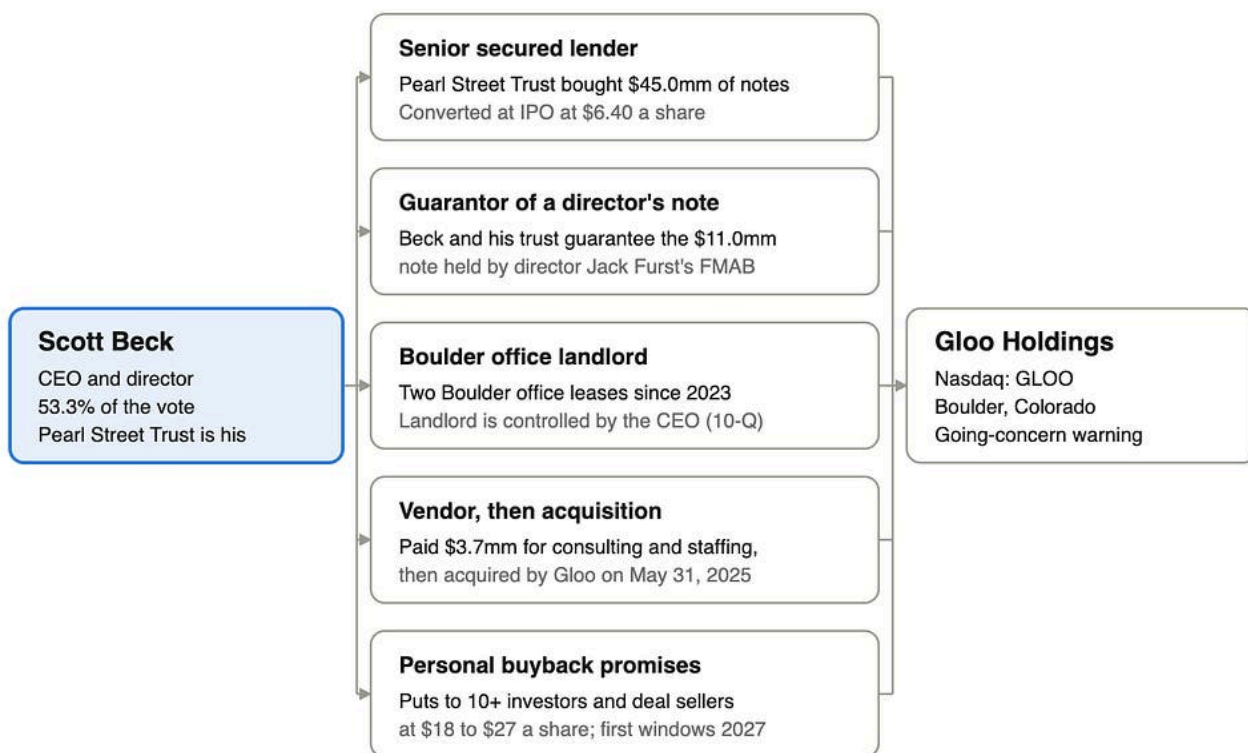
- Barna. Gloo owns 49.0% of Barna Holdings and consolidates all of it as a variable interest entity because it holds a majority voting interest.
- Visitor Reach. Gloo owns about 51.2%. Three minority holders hold call options to buy back up to 16.0% of the equity at \$1,506 a unit, exercisable from December 2027 for 12 months. If all are exercised Gloo keeps about 35.22%, and per the 10-Q that "could result in a deconsolidation event." We couldn't find Visitor Reach's revenue broken out (unknown).

— The CEO on every side of the table

None of this is hidden. It's all in the footnotes, which in our opinion is exactly why it gets ignored.

Beck and his trust sit on five sides of Gloo

Each tie is disclosed in Gloo's 10-Q, Beck's 13D or the July prospectus



Sources: Gloo 10-Q related-party and debt notes; Beck's July 2026 Schedule 13D; July 2026 prospectus.

The lender. Pearl Street Trust, which the 10-Q says Beck controls, bought \$45.0mm of the \$60.7mm of senior secured notes Gloo issued in the year ended January 2025. They paid SOFR plus 8%, part in kind. At the IPO the exchanged notes converted into 22,363,700 Class B shares at \$6.40, 80% of the IPO price. Per [Beck's 13D](#), the trust now holds 29.0mm Class B and 1.5mm Class A shares.

The guarantor. \$13.2mm of senior notes remain, held by two purchasers. \$11.0mm of that is held by FMAB Partners, an affiliate of director Jack Furst, and Beck and Pearl Street Trust jointly guarantee it. On September 7 its maturity moved from April 2027 to April 23, 2028. Beck signed the [amendment](#) for Gloo; Furst signed for the holder. The effective rate was 15.2%.

The landlord. Gloo lists its address as 831 Pearl Street in downtown Boulder. The 10-Q says Gloo has two operating leases for Boulder office space with an entity controlled by the CEO, running since January 1, 2023 with two three-year extension options. The filings don't say whether 831 Pearl is one of them (unknown).

The vendor. In the six months to July 2025 Gloo paid an entity controlled by the CEO \$1.6mm for strategic and executive consulting and \$2.1mm for engineering staffing on the AI platform. Gloo then acquired that entity on May 31, 2025.

The customers. Related-party revenue was \$4.7mm in the first half, 5.3% of revenue. YouVersion, whose CEO sits on Gloo's board, paid \$1.9mm. Come and See, whose board chairman sits on a Gloo subsidiary's board, paid \$1.8mm.

Our concern is simple. When Gloo next needs money, the person setting the terms also guarantees its senior debt, controls the landlord on its Boulder offices, and is personally on the hook for the obligations below.

— Beck's personal buyback promises

This is the part we think the market hasn't priced.

Item 6 of [Beck's July 2026 Schedule 13D](#) discloses that Scott Beck, Theresa Beck and Pearl Street Trust, jointly and severally, granted put rights to investors in Gloo's pre-IPO LLC and to sellers of companies Gloo bought. If exercised, they have to buy the stock. The exhibits leave individual prices blank; Item 6 gives the ranges on a post-split basis: \$18.00 a share for the 2023 investor puts and \$18.00 to \$27.00 for acquisition-related puts.

Named counterparties in the exhibits:

- Christianity Today International: 666,667 units, window starting around May 2027 (our reading)
- Life Covenant Church, Inc.: 416,667 units, window after the fifth anniversary of August 1, 2024
- Ranjan Thomas: 50,702 units, July 1, 2027 to June 30, 2028
- CME Holdings LLC: 638,848 units, July 1, 2027 to June 30, 2028
- The Evans Revocable Living Trust and Evans Charitable Trust
- 2023 investors at \$18.00: Paul and Amaryah Lanum, Trinity FFV Alternative Income Fund, Compassion International, GuideStone Financial Resources, RightNow Ministries International and WC Gloo Fund

The units are LLC Series A preferred units, and the 13D doesn't say how many Class A shares they map to, so we can't size the total and won't guess. What we can say: the stated prices are more than five times the market. In our opinion a holder with an \$18 put on a \$3 stock exercises when the window opens. Gloo's own risk factors say Beck and his affiliates may sell a substantial number of Class A shares to fund these purchases.

In fairness, Beck has been a buyer, about \$3.5mm in the July offering. Executive Chair Pat Gelsinger bought 50,000 shares on September 11 through his trust ([Form 4](#)). We found no insider sales or Form 144 notices after the offering lockup ended around October 6.

— Who's selling, and what comes next

Thrivent Financial for Lutherans, a 10% owner, sold on the open market in September. One [Form 4](#) shows 57,000 shares sold September 11 to 15 at \$3.23 to \$3.55, with the 10b5-1 plan box unchecked, leaving 4,018,000 shares.

The capital question:

- Cash was \$39.3mm at July 31. August deals used about \$3.3mm. At the Q2 run rate of about \$14.5mm a quarter that's around two and a half quarters (estimate). If Gloo hits its Q3 and Q4 guidance, we estimate cash ends January 2027 near \$17mm to \$20mm.
- Shares outstanding went from 80.6mm at January 31 to 91.5mm at September 10, up 13.6%.
- Form S-3 requires 12 months of timely reporting. Gloo became a reporting company at its November 2025 IPO, so the earliest shelf filing is around November 20, 2026 (our inference). If public float is under \$75mm, baby-shelf rules cap a shelf raise at a third of float a year.
- Q3 results for the quarter ending October 31 aren't scheduled yet. Last year's timing points to December (estimate).
- 2027: Beck's put windows start opening and the Visitor Reach calls become exercisable. The FMAB note comes due April 2028.

Short interest was 810,051 shares on September 30, up from 310,142, about one day to cover, per FINRA data via third-party sites. Borrow was about 4.3% with roughly 450,000 shares available on October 15, per a broker feed we can't independently verify.

— Every covering analyst was an underwriter

Five Buy-equivalent ratings, average target \$12. Then check who's writing them.

Every covering analyst was an underwriter

Average target \$12.00 vs. a \$3.26 stock, 3.7x the price



Targets and dates per Benzinga; roles per Gloop's IPO pricing release and July 2026 prospectus.

Sources: Benzinga analyst ratings; Gloop IPO pricing release (Nov 18, 2025); July 2026 prospectus.

Roth ran the IPO book; Benchmark, Craig-Hallum, Lake Street, Loop and Texas Capital co-managed. Citizens and Roth ran the July follow-on, with Benchmark and Loop as co-managers. Roth's \$17 was last maintained in January 2026, before the 10-K's going-concern warning. The two most recent actions, both September 10, are \$8. Every published rating on GLOO comes from a bank that sold its stock.

— What the market is paying for

We don't publish price targets. Here's the arithmetic so you can set your own.

91.5mm shares at \$3.26 is about \$298mm of market cap. At July 31 Gloop held \$39.3mm of cash against \$38.3mm of debt principal. Add \$22.4mm of noncontrolling interests and enterprise value is about \$320mm (estimate), 1.6x management's \$200mm revenue guide for the year ending January 2027.

The best comparable we have is Gloop's own deal pricing: about 1x revenue for EMD. Holding today's share count and balance sheet:

- At 1.5x guided revenue, about \$3.04 a share
- At 1.0x, the EMD multiple, about \$1.95 a share
- At 0.5x, about \$0.86 a share

These are our estimates from the filings. They exclude new shares from the next raise and assume the \$200mm guide is met.

— What would make this wrong

A short case that skips the other side is a pitch. Here's the bull case, and some of it is strong.

- Adjusted EBITDA improved three quarters running, with guidance for positive in Q4. First-half operating cash burn fell to \$28.0mm from \$44.2mm.
- Deferred revenue was \$18.1mm against \$5.6mm a year earlier, and remaining performance obligations were about \$46.8mm. Management cites 30-plus customers above \$1mm of annual contract value.
- First-half interest expense fell to \$1.8mm from \$6.0mm after the notes converted.
- Insiders are buying, and Beck and Gelsinger cut their salaries to \$1 from February 2026.
- A former Intel CEO as executive chair gives the AI story real credibility.
- At about 1.6x guided revenue, GLOO isn't priced like a hot AI name.

What would change our mind: two quarters of positive operating cash flow without a raise, organic growth disclosed and holding above 30%, the material weaknesses fixed, and the put obligations settled without Class A sales. Short-side risk: Beck controls the vote, so there's no activist path.

— Questions for management

1. What was organic revenue growth in Q2?
2. Which material weaknesses remain open, and do any still touch revenue recognition?
3. How much cash will the business use before free-cash-flow breakeven, including acquisitions?
4. How many Class A shares do Beck's put obligations cover, at what total price, and how will he fund them?
5. Who holds the rest of the senior notes, and why was the FMAB maturity extended?
6. Which CEO-controlled entity was acquired on May 31, 2025, and what did Gloo pay?
7. Is 831 Pearl Street one of the offices leased from the CEO's entity, and what is the rent?
8. How much revenue does Visitor Reach contribute?

— Disclosures

This article reflects the opinions of Guardian Research LLC and its author as of October 16, 2026. Statements of opinion are labeled as such. Figures labeled estimate or inferred are our own calculations from the cited filings.

Position. The author and Guardian Research LLC may hold, or may establish, a short position in GLOO, including through options, and stand to profit if the share price falls. We may cover, add to or reverse any position at any time, including immediately after publication, without notice.

Guardian Research LLC and its author are not registered investment advisers or broker-dealers. This is not investment advice or a recommendation to buy or sell any security. Information comes from public sources we believe reliable, chiefly Gloo's SEC filings, and is provided as is. We did not contact the company before publication and have no duty to update this article. Forward-looking estimates may prove wrong.

— Sources

- [Gloo 10-Q, quarter ended July 31, 2026](#)
- [Gloo 10-K, year ended January 31, 2026](#)
- [July 8, 2026 prospectus \(424B4\)](#)
- [2026 proxy statement](#)
- [Scott Beck Schedule 13D, July 2026](#)
- [Q2 results press release](#)
- [IPO pricing release](#)
- [Form S-3 instructions](#)
- [Stock Analysis price history](#) and [Benzinga analyst ratings](#)