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SOAR AI, INC.

FORM 10-Q
(Quarterly Report)

Filed 11/23/26 for the Period Ending 09/30/26

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly period ended September 30, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From to

Commission File Number 001-41104

SOAR AI, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**86-2707040**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

8050 Freedom Avenue NW
North Canton, OH 44720
(Address of Principal Executive Offices, including ZIP Code)

844-448-2868
(Registrant's telephone number, including area code)

Volato Group, Inc.
1954 Airport Road, Suite 124
Chamblee, GA 30341
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of exchange on which registered
Class A common stock, $0.0001 par value per share	**SOAR**	**NYSE American LLC**
Warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of $287.50	**SOARW**	**OTC Markets Group, Inc.**

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

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of November 13, 2026, there were 57,430,018 shares of Class A common stock outstanding.

SOAR AI, INC.
FORM 10-Q
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Special Note About Forward-Looking Statements

This report includes estimates, projections, statements relating to our business plans, objectives, and expected operating results that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may appear throughout this report, including the following sections: "Risk Factors" (Part II, Item 1A of this Quarterly Report on Form 10-Q ("Quarterly Report")), and "Management's Discussion and Analysis of Financial Condition and Results of Operations" (Part I, Item 2 of this Quarterly Report). These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions or the negative of such terms. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially. We describe certain risks and uncertainties that could cause actual results and events to differ materially in the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Quantitative and Qualitative Disclosures about Market Risk" of our most recent Annual Report on Form 10-K. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

PART I

ITEM 1. FINANCIAL STATEMENTS

SOAR AI, INC.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except par value amounts)
(unaudited)

	September 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash	$ 41,220	$ 4,698
Accounts receivable, net	12	101
Contract assets, net	836	502
Deposits	77	70
Note receivable, current	159	206
Investment in M2i	614	1,197
Investment in flyExclusive	—	1,739
Aviation asset option	—	324
Inventory, net	3,073	—
Prepaid expenses and other current assets	5,458	572
Current assets - discontinued operations	32	267
Total current assets	**51,481**	**9,676**
Property and equipment, net	5,787	323
Operating lease, right-of-use assets	2,685	128
Contract assets, non-current	419	134
Note receivable, non-current	1,749	1,693
Goodwill	132,790	—
Intangible assets, net	66,512	—
Deposits, non-current	2,500	—
Total assets	**$ 263,923**	**$ 11,954**
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued liabilities	$ 8,461	$ 3,394
Dividend payable	—	1,637
Convertible notes, net	25,117	4,230
Bridge notes payable – related parties	6,345	—
Operating lease liability	429	43
Deferred revenue and customer deposits	13,226	2,823
Current liabilities - discontinued operations	—	1,591
Total current liabilities	**53,578**	**13,718**
Operating lease liability, non-current	1,659	85
Deferred revenue, non-current	32,456	—
Deferred tax liability, net	16,644	—
Warrant liability	72,040	—
Total liabilities	**$ 176,377**	**$ 13,803**
COMMITMENTS AND CONTINGENCIES (Note 14)		
Shareholders' equity (deficit):		
Preferred stock, $0.0001 par value; 1,000,000 shares authorized; 395,390 shares (79,078 Series A and 316,312 Series A-1) issued and outstanding as of September 30, 2026; none as of December 31, 2025	—	—
Common Stock Class A, $0.0001 par value; 200,000,000 authorized; 53,783,044 and 9,510,784 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	$ 10	$ 5
Additional paid-in capital	226,170	98,917
Accumulated deficit	(138,634)	(100,771)
Total shareholders' equity (deficit)	**87,546**	**(1,849)**
Total liabilities and shareholders' equity	**$ 263,923**	**$ 11,954**

The accompanying notes are an integral part of these unaudited consolidated financial statements.

SOAR AI, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenue	$ 1,316	$ 381	$ 3,283	$ 50,719
Costs and expenses:				
Cost of revenue	396	123	981	42,198
Selling, general and administrative	3,381	2,822	9,625	7,687
Amortization of acquired intangible assets	688	—	688	—
Total costs and expenses	4,465	2,945	11,294	49,885
Operating income (loss)	(3,149)	(2,564)	(8,011)	834
Other income (expenses):				
Other income (loss), net	(104)	5,679	(221)	9,990
Gain on sale of asset	—	—	830	—
Loss from change in fair value of financial instruments	(29,817)	(539)	(31,413)	(1,289)
Gain from termination of certain Investment shares in M2i	—	—	959	—
Interest income (expense), net	(270)	27	(269)	(3,602)
Other income (expenses), net	**(30,191)**	**5,167**	**(30,114)**	**5,099**
Income (loss) before provision (benefit) for income taxes and discontinued operations	**(33,340)**	**2,603**	**(38,125)**	**5,933**
Provision (benefit) for income taxes	(163)	272	(160)	559
Net income (loss) from continuing operations	(33,177)	2,331	(37,965)	5,374
Net income (loss) from discontinued operations, net of taxes	(1)	4,814	102	5,828
Net income (loss)	**$ (33,178)**	**$ 7,145**	**$ (37,863)**	**$ 11,202**
Basic and diluted net income (loss) per share:				
Net income (loss) per share from continuing operations, basic	$ (0.62)	$ 0.46	(1.10)	$ 1.25
Net income (loss) per share from continuing operations, diluted	$ (0.62)	$ 0.45	(1.10)	$ 1.25
Net income (loss) per share from discontinued operations, basic	$ 0.00	$ 0.96	0.00	$ 1.35
Net income (loss) per share from discontinued operations, diluted	$ 0.00	$ 0.81	0.00	$ 1.35
Net income (loss) per share, basic	$ (0.62)	$ 1.42	(1.10)	$ 2.60
Net income (loss) per share, diluted	$ (0.62)	$ 1.26	(1.10)	$ 2.60
Weighted average common shares outstanding:				
Basic	53,202,609	5,039,340	34,432,069	4,303,537
Diluted	53,202,609	5,978,762	34,432,069	4,303,537

The accompanying notes are an integral part of these unaudited consolidated financial statements.

SOAR AI, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Amounts in thousands, except shares)
(unaudited)

	Class A Common Stock		Additional Paid-in	Accumulated	Total Shareholders' Equity
	Shares	Amount	Capital	Deficit	(Deficit)
Balance as of December 31, 2024	1,843,852	$ 5	$ 87,968	$ (104,307)	$ (16,334)
Stock-based compensation	—	—	46	—	46
Issuance of common stock	57,041	—	—	—	—
Net income	—	—	—	455	455
Balance as of March 31, 2025	1,900,893	$ 5	$ 88,014	$ (103,852)	$ (15,833)
Stock-based compensation	—	—	557	—	557
Issuance of common stock	2,721,844	—	4,610	—	4,610
Net income	—	—	—	3,602	3,602
Balance as of June 30, 2025	4,622,737	$ 5	$ 93,181	$ (100,250)	$ (7,064)
Stock-based compensation	—	—	1	—	1
Issuance of common stock	2,813,019	—	4,023	—	4,023
Net income	—	—	—	7,145	7,145
Balance as of September 30, 2025	7,435,756	$ 5	$ 97,205	$ (93,105)	$ 4,105

	Class A Common Stock		Preferred Stock	Additional Paid-in	Accumulated	Total Shareholders' Equity
	Shares	Amount	Amount	Capital	Deficit	(Deficit)
Balance as of December 31, 2025	9,510,784	$ 5	$ —	$ 98,917	$ (100,771)	$ (1,849)
Stock-based compensation	—	—	—	30	—	30
Issuance of common stock for debt conversion	10,604,465	1	—	4,042	—	4,043
Issuance of restricted stock units	70,000	—	—	—	—	—
Cost of common stock issuance				(36)		(36)
Net loss	—	—	—	—	(2,634)	(2,634)
Balance as of March 31, 2026	20,185,249	$ 6	$ —	$ 102,953	$ (103,405)	$ (446)
Stock-based compensation	—	—	—	—	—	—
Issuance of common stock for debt conversion	1,154,915	—	—	249	—	249
Issuance of common stock	35,101,766	4	—	6,647	—	6,651
Reversal of common stock issuance	(3,258,886)	—	—	(532)	—	(532)
Cost of common stock issuance	—	—	—	(406)	—	(406)
Net loss	—	—	—	—	(2,051)	(2,051)
Balance as of June 30, 2026	53,183,044	$ 10	$ —	$ 108,911	$ (105,456)	$ 3,465
Stock-based compensation	—	—	—	25	—	25
Issuance of common stock for prepaid services	600,000	—	—	114	—	114
Issuance of Series A and Series A-1 Preferred Stock (395,390 shares) and replacement options in the Alignment Engine Merger	—	—	—	117,125	—	117,125
Costs of common stock issuance	—	—	—	(5)	—	(5)
Net loss	—	—	—	—	(33,178)	(33,178)
Balance as of September 30, 2026	53,783,044	$ 10	$ —	$ 226,170	$ (138,634)	$ 87,546

The accompanying notes are an integral part of these unaudited consolidated financial statements.

SOAR AI, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(unaudited)

	Nine months ended September 30,	
	2026	**2025**
Operating activities:		
Net income (loss) from continuing operations	$ (37,965)	$ 5,374
Net income from discontinued operations	102	5,828
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:		
Depreciation and amortization expense	872	244
Non-monetary exchange	32	129
Stock compensation expense	55	604
Amortization of prepaid services paid in common stock	13	—
Gain from sale of contract asset	(830)	—
Loss from disposal of property and equipment	26	6
Loss from sale of consolidated entity	—	35
Gain on settlement of liabilities	(108)	(9,989)
Loss on dividend payable	101	—
Amortization right-of-use asset	25	28
Amortization of debt discount	—	283
Change in fair value of convertible notes	25,180	1,134
Change in fair value of warrant liability	4,671	—
Loss on investment in M2i	1,010	155
Gain on termination of certain investment shares of M2i	(959)	—
Loss on investment in flyExclusive	128	—
Loss on aviation asset option	324	—
Deferred income taxes	(165)	—
Changes in assets and liabilities:		
Accounts receivable	89	(62)
Notes receivable	—	(86)
Contract assets, net	(885)	(450)
Prepaid and other current assets	1,120	376
Deposits	12	5,237
Account payable and accrued liabilities	(2,803)	(934)
Deferred revenue and customers' deposits	42,859	(876)
Change in assets and liabilities of discontinued operations	201	(9,478)
Net cash provided by operating activities from continuing operations	32,802	1,208
Net cash provided by (used in) operating activities from discontinued operations	303	(3,650)
Net cash (used in) provided by operating activities	**33,105**	**(2,442)**
Investing activities:		
Cash payment for property and equipment	(4,196)	(69)
Cash acquired in the Alignment Engine Merger	465	—
Proceeds from the sale of property and equipment	—	30
Net cash used in investing activities	**(3,731)**	**(39)**
Financing activities:		
Principal payment on lease obligations	(21)	(29)
Repayment of loans	—	(1,124)
Proceeds from the issuance of convertible notes, net	—	4,050
Proceeds from the issuance of shares under "at the market"	3,585	—
Proceeds from PIPE	2,210	—
Proceeds from Registered Direct offering	1,621	—
Collection of equity contribution receivable	200	—
Costs of common stock issuance	(447)	(66)
Net cash provided by financing activities	**7,148**	**2,831**
Net increase in cash	36,522	350
Cash, beginning of period	4,698	4,000
Cash, end of period	$ 41,220	$ 4,350
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1	$ 1,652
Cash paid for income taxes	$ 1,217	$ 229
Non-Cash Investing and Financing Activities:		
Note receivable from sale of GC Aviation, Inc.	$ —	$ 1,800
Non-cash interest	$ —	$ 1,977
In-kind dividend paid	$ (1,738)	$ —
Credit facility for aircraft deposit	$ —	$ (28,000)
Issuance of shares for convertible notes	$ 4,293	$ 6,169
Investment in flyExclusive	$ 1,738	$ —
Issuance of flyExclusive shares as part of PIPE	$ 967	$ —

Issuance of Fifth Tranche Note as consideration for waivers	$	15,813	$	—
Issuance of Preferred Stock and replacement warrants and options for the acquisition of Alignment Engine (provisional)	$	184,494	$	—
Issuance of common stock for prepaid services	$	114	$	—
Security deposit included in accounts payable and accrued liabilities	$	2,500	$	—
Financing for aircraft purchase	$	—	$	37,506
Payment on liability for aircraft purchase	$	—	$	(37,595)
Deposits on aircraft	$	—	$	28,500
Investment in M2i - share exchange	$	634	$	2,065
Issuance of shares in exchange for debt reduction	$	—	$	463

The accompanying notes are an integral part of these unaudited consolidated financial statements.

SOAR AI, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2026

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Organization

SOAR AI, Inc. ("SOAR," "we," "us," "our," or the "Company"), formerly known as Volato Group, Inc., is a Delaware corporation whose Class A common stock (also referred to as "common stock" in this Quarterly Report) is listed on the NYSE American LLC ("NYSE American) under the symbol "SOAR". The Company is an artificial intelligence ("AI") infrastructure and software company focused primarily on the development and operation of AI infrastructure and AI-powered software solutions.

On September 11, 2026 (the "Closing Date"), the Company completed its previously announced merger with Alignment Engine Inc. ("Alignment Engine"), pursuant to which Alignment Engine merged with and into Volato Alignment Merger Sub, LLC, a wholly owned subsidiary of the Company ("Alignment Merger Sub"), with Alignment Merger Sub surviving the merger as a wholly owned subsidiary of the Company (the "Alignment Engine Merger"). Following the Alignment Engine Merger, the Company's principal growth strategy is focused on the development and operation of AI infrastructure, including powered data center capacity, high-density graphics processing unit ("GPU") compute, high-performance networking and related infrastructure and technology.

On October 12, 2026, Alignment Merger Sub changed its name to "Sovereign AI Chillicothe, LLC", and on October 19, 2026, the Company changed its corporate name from "Volato Group, Inc." to "SOAR AI, Inc." The name changes did not affect the corporate existence, capital structure or the rights of the security holders of the Company or its subsidiary. The Company's common stock continues to trade on the NYSE American under the symbol "SOAR". Unless the context otherwise requires, references in these consolidated financial statements to Alignment Engine for periods after the Closing Date refer to Alignment Merger Sub, as the successor to Alignment Engine.

AI Infrastructure Business

The Company is developing high-performance computing infrastructure designed to support artificial intelligence, machine learning and high-performance computing workloads. The business combines powered data center infrastructure, advanced GPU compute, high-performance networking and related technology to provide dedicated AI compute capacity to customers.

The Company is actively constructing an AI infrastructure campus in Ohio. The initial phase is designed around Advanced Micro Devices ("AMD") GPU infrastructure and includes the construction and installation of data center infrastructure, power and cooling systems, high-density GPU compute and high-performance networking. The Company expects to develop the campus in phases based on contracted customer demand, power availability, financing and other development requirements.

In September 2026, the Company, through Alignment Engine, entered into a master services agreement and two four-year, take-or-pay orders with a large AI customer for dedicated GPU infrastructure. The orders provide for the phased deployment of dedicated, next-generation AMD GPU infrastructure. The initial deployment will utilize AMD MI355X GPUs and has a contractual start date of December 31, 2026. The second deployment will utilize AMD MI455X GPUs and has a contractual start date of June 30, 2027. The deployments will operate as dedicated, single-tenant GPU clusters. The two orders have an aggregate contract value of approximately $1.17 billion and provide for contractual customer prepayments.

The Company is actively pursuing additional customers for its available and planned AI infrastructure capacity and expects to enter into additional customer agreements as the campus is developed. In addition, the Company is evaluating opportunities to develop additional AI infrastructure and data center locations in the United States and internationally as part of its longer-term growth strategy. The Company expects the development of its AI infrastructure business to require substantial capital expenditures and it intends to finance its development through a combination of customer prepayments, debt financing, equity or equity-linked financing and other sources of capital.

Aviation AI and Software Business

The Company also develops AI-powered operational systems for aviation businesses. These solutions are built on Parslee, the Company's AI platform, which is designed to execute and automate complex workflows using business-specific context, shared memory and human oversight.

Parslee provides the technology foundation for the Company's aviation AI platform, which is designed to address operational workflows across private aviation, including quoting, dispatch, customer service, maintenance and back-office processes. The platform is designed to automate workflows that have traditionally required significant manual effort and additional personnel as aviation businesses scale.

The Company also operates Vaunt, a technology-enabled private aviation membership platform. Vaunt connects members with available private aviation flight opportunities and provides participating operators with a technology platform and distribution channel through which they can monetize otherwise unused flight capacity.

The Company intends to continue developing its aviation AI platform and related software solutions by applying the operational experience, workflows and technology developed within its aviation businesses to automate increasingly complex aviation operations.

Historical Aviation Operations and Other Transactions

In September 2024, the Company entered into an agreement with flyExclusive, Inc. ("flyExclusive"), a leading provider of private jet charter services, to transition the management of its aircraft ownership fleet operations to flyExclusive. This move was intended to bring substantial cost savings and allow the Company to focus on its potential high-growth areas, including aircraft sales and proprietary software products. The Company has continued to generate revenue from its proprietary software, including the Vaunt platform, its empty leg consumer app. In the fourth quarter of 2024, we transferred our aircraft lease agreements to flyExclusive and have no further obligations under the aircraft lease agreements or control over flight operations.

On February 24, 2025, the Company effected a reverse stock split of its issued and outstanding common stock at a ratio of 1-for-25 (the "Reverse Stock Split"), with no change in par value. All share amounts have been retroactively adjusted to account for the split as if it occurred at inception.

On March 20, 2025, the Company sold its former subsidiary GC Aviation, Inc., which held the FAA Part 135 certificate for $2.0 million, of which $1.8 million is a note receivable. In June 2026, the Company waived certain interest due under the note and extended the first payment date to December 19, 2026.

On July 28, 2025, the Company entered into an Agreement and Plan of Merger and Reorganization (the "M2i Merger Agreement") with Volato Merger Subsidiary, Inc., a Nevada corporation and then wholly-owned subsidiary of the Company ("M2i Merger Sub"), and M2i Global, Inc., a Nevada corporation ("M2i"), pursuant to which M2i Merger Sub was to merge with and into M2i, with M2i surviving the merger as a wholly-owned subsidiary of the Company (together with all other transactions contemplated by the M2i Merger Agreement, the "M2i Merger"). On June 4, 2026, the Company delivered written notice to M2i terminating the M2i Merger Agreement and abandoning the transactions contemplated thereby.

On October 1, 2025, the Company entered into a Fourth Amendment (the "Amendment") to Aircraft Management Services Agreement (as amended the "Agreement") with flyExclusive to bring the Agreement in line with Company's anticipated shift in operations, new business directives, and to better accommodate the then-contemplated M2i Merger. The Amendment served to (i) modify the term of the Agreement; (ii) grant flyExclusive, subject to certain terms and conditions, the right to purchase certain aviation-related assets from the Company and assume certain obligations of the Company (the "flyExclusive Asset Option"); (iii) grant the Company, subject to certain terms and conditions, the right to sell certain aviation-related assets to flyExclusive and assign certain obligations of the Company to flyExclusive (the "Company Asset Option," and collectively with the flyExclusive Asset Option, the "Asset Options"); (iv) obligate flyExclusive to pay the Company $100,000 upon execution of the Amendment as settlement of net payables owed by flyExclusive to the Company under the terms of the Agreement (the "Net Payables Obligation"); and (v) modify the material terms of flyExclusive's right to cause the Company to merge with and into a wholly owned subsidiary of flyExclusive (the "flyExclusive Merger Option"), including that the flyExclusive Merger Option would only be exercisable in the event that the Company and M2i terminated the M2i Merger Agreement. flyExclusive paid the Net Payables Obligation by issuing the Company 20,576 shares of Class A common stock.

As consideration for the execution of the Amendment, flyExclusive agreed to pay $2,000,000 to the Company, in cash or shares of flyExclusive Class A common stock, in exchange for the right to receive either (i) the net proceeds from the sale of a certain G280 aircraft, or (ii) if, and only if, Gulfstream Aerospace Corporation ("Gulfstream") provided written consent, assignment of the G280 Agreement from the Company to flyExclusive subject to the execution of an asset purchase agreement relating solely to the transfer of the G280 Agreement. The G280 aircraft was later delivered to the Company pursuant to an existing agreement (the "G280 Agreement") with Gulfstream. flyExclusive elected to pay all of the $2,000,000 in shares of its Class A common stock and issued an aggregate of 411,523 shares of its Class A common stock to the Company in the fourth quarter of 2025.

In January 2026, the Company paid a dividend of 432,099 shares of Class A common stock of flyExclusive to the Company's stockholders.

On March 6, 2026, the Company signed amendment number five to the Agreement with flyExclusive, pursuant to which the Company sold certain unused intellectual property assets for $1.3 million payable in cash or shares of flyExclusive's Class A common stock. Such assets represent a portion of the total assets which were anticipated to be sold under one of the Asset Options as described above. flyExclusive issued an aggregate of 451,901 shares of its Class A common stock to the Company in March 2026, which is recorded as Investment in flyExclusive on the consolidated balance sheets. With the sale of the assets, the Company recorded a gain on the sale of the assets of $0.8 million, which is recorded in Other Income on the Consolidated Statements of Operations. Following the sale of the intellectual property assets pursuant to the fifth amendment, there is $700,000 in remaining assets that may be sold to flyExclusive under the terms of the Agreement, as amended.

On August 31, 2026, the Company signed amendment number six to the Agreement with flyExclusive, pursuant to which the parties extended the term of the Agreement to December 31, 2026. All other terms of the Agreement, as previously amended, were unchanged by the sixth amendment.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Going concern, liquidity, and capital resources

The Company has limited operating history in its AI infrastructure business. For the nine months ended September 30, 2026, the Company incurred a net loss of approximately $37.9 million, including net non-cash charges of approximately $30.4 million, primarily a $25.2 million loss from the change in fair value of convertible notes and a $4.7 million loss from the change in fair value of the warrant liability. As of September 30, 2026, the Company has an accumulated deficit of approximately $138.6 million and a working capital deficit of approximately $2.1 million.

As of September 30, 2026, the Company had cash of approximately $41.2 million, of which approximately $39.9 million represents a customer prepayment received on September 30, 2026 under the Company's take-or-pay orders for dedicated GPU infrastructure, which is recorded as deferred revenue. The Company expects to use these funds for the development of its AI infrastructure campus in Ohio and the GPU infrastructure required to fulfill those orders. The Company's planned development of its AI infrastructure requires substantial capital expenditures that significantly exceed its current cash resources. In addition, current liabilities as of September 30, 2026 include $6.3 million of bridge notes payable to related parties, which were amended in November 2026 to be due on the earlier of the closing of a private placement of at least $50.0 million and March 31, 2027 (see Note 17), and $25.1 million of convertible notes.

Management intends to fund the Company's operations and planned capital expenditures through (i) customer prepayments under existing and future customer contracts, (ii) sales of common stock under the ELOC Purchase Agreement entered into on October 8, 2026 (see Note 17), under which no sales may be made until a registration statement registering the resale of the shares is declared effective, (iii) private placements of equity or debt securities, and (iv) debt and equipment financing. As of the date these consolidated financial statements were issued, none of these sources of financing had been committed, other than the existing customer prepayments and the ELOC Purchase Agreement, and future sources of capital are not solely within the Company's control. Accordingly, management has concluded that its financing plans do not alleviate the substantial doubt described below.

These conditions raise substantial doubt about the Company's ability to continue as a going concern within one year after the date the consolidated financial statements are issued. There can be no assurance that the Company will be able to obtain financing in the amounts or on the terms required, or at all. If the Company is unable to obtain sufficient additional financing, it may be required to delay, reduce the scope of or abandon its planned AI infrastructure development, which could prevent it from meeting its obligations under its customer contracts and data center lease and could harm its business, financial condition and operating results. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis of presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business and following the requirements of the Securities and Exchange Commission (the "SEC"). The unaudited interim consolidated financial statements are condensed and should be read in conjunction with the Company's annual audited 2025 condensed consolidated financial statements, which are included in the Company's Annual Report on Form 10-K filed with the SEC on March 12, 2026. The results of operations for interim periods are not necessarily indicative of results to be expected for the fiscal year ending December 31, 2026 or for any other future annual or interim period.

Reclassifications

Certain amounts in 2025 have been reclassified to conform with the current period's presentation to properly reflect discontinued operations. In addition, contract assets of $134 thousand as of December 31, 2025 that will be amortized after more than twelve months have been reclassified from contract assets, net within current assets to contract assets, non-current.

Principles of consolidation

The unaudited interim consolidated financial statements include the Company's accounts and the accounts of its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Such estimates include:

- The fair values of assets acquired and liabilities assumed in business combinations, including identifiable intangible assets, inventory, property and equipment, construction in progress and the operating lease right-of-use asset, and the resulting goodwill.
- The fair value of consideration transferred in business combinations, including preferred stock, replacement warrants and replacement options.
- Useful lives of property and equipment and finite-lived intangible assets.
- Assessment of goodwill and long-lived assets for impairment.
- Assumptions used in valuing debt and equity instruments, including convertible notes and investments measured at fair value.
- Stock-based compensation, including the probability of achieving performance conditions.
- Deferred income taxes and the related valuation allowance, including deferred taxes recognized in business combinations.
- Accruals, including estimates related to legal matters and settlements.

Cash

Cash consists primarily of cash on hand and bank deposits. The Company maintains cash deposits with financial institutions that may exceed federally insured limits at times. The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At September 30, 2026 and December 31, 2025, the Company had no cash equivalents besides what was in the cash balance as of those dates. The Company had no restricted cash at September 30, 2026 and December 31, 2025.

Accounts receivable

Accounts receivable are reported on the consolidated balance sheets at the outstanding principal amount adjusted for any allowance for credit losses and any charge offs. The Company provides an allowance for credit losses to reduce trade receivables to their estimated net realizable value equal to the amount that is expected to be collected. This allowance is estimated based on historical collection experience, the aging of receivables, current conditions, which, under the practical expedient in ASU 2025-05, are assumed to continue over the remaining life of current receivables, and assessments of the current creditworthiness and economic status of customers. The Company considers a receivable delinquent if it is unpaid after the term of the related invoice has expired. Balances that are still outstanding after management has used reasonable collection efforts are written off. The Company reviews its allowance for credit losses on a quarterly basis.

During the three months ended September 30, 2026 and 2025, the Company recognized no bad debt expense. During the nine months ended September 30, 2026 and 2025, the Company recognized $7 thousand and $147 thousand of bad debt expense, respectively.

Inventory

Inventories, which consist mainly of raw material components and finished goods, are stated at the lower of cost or net realizable value, using the weighted average cost method, which approximates first-in, first-out (FIFO). Inventory costs include the direct purchase price of the product, less applicable adjustments. Inventory acquired in the Alignment Engine Merger was recorded at its acquisition-date fair value of $3.1 million, which included a $0.6 million step-up over Alignment Engine's carrying amount. The step-up is recognized in cost of revenue as the related inventory is sold. As of September 30, 2026, inventories consisted of $1.5 million of components and $1.6 million of finished goods.

The Company classifies inventory as current or non-current based on its expected period of consumption or sale. Inventories expected to be sold or consumed within one year are classified as current. Inventories that are not expected to be sold or consumed within the next twelve months, but are expected to be realized in future periods, are classified as non-current.

The Company periodically reviews its inventories for potential slow-moving or obsolete items and writes down specific items to net realizable value, as appropriate. Inventory write-downs are measured as the excess, if any, of the cost of each inventory item over its net realizable value and are charged to inventory reserves, which are included in cost of goods sold. At the time of the write-down, a new, lower cost basis is established; subsequent changes in facts and circumstances do not result in an increase to that newly established cost basis.

Fixed assets

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from three to five years. Leasehold improvements are depreciated over the shorter of five years or the remaining lease term. Construction in progress is not depreciated until the related assets are placed in service:

Classification	**Life**
Machinery and equipment	4-5 years
Computer and office equipment	5 years
Website development costs	3 years
Furniture and fixtures	5 years
Leasehold improvements	Up to 5 years

Computer software development

Software development costs are accounted for in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350-40, *Internal Use Software*. Internal software development costs are capitalized from the time the internal use software is considered probable of completion until the software is ready for use. Business analysis, system evaluation and software maintenance costs are expensed as incurred. The capitalized computer software development costs are reported under the section "Property and equipment, net" in the consolidated balance sheets and are amortized using the straight-line method over the estimated useful life of the software, generally three years from when the asset is placed in service. The Company capitalized $472 thousand and $69 thousand of internal software development costs during the nine months ended September 30, 2026 and 2025, respectively. The Company recognized $54 thousand and $37 thousand of amortization expense related to computer software development during the three months ended September 30, 2026 and 2025, respectively. The Company recognized $123 thousand and $133 thousand of amortization expense related to computer software development during the nine months ended September 30, 2026 and 2025, respectively. The Company also expenses internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities. During the nine months ended September 30, 2026 and 2025, the Company reduced the value of software development cost by $32 thousand and $129 thousand, respectively, related to a non-monetary exchange with a third party and their use of our mission control software. This software development cost was originally related to software developed for internal use, which was licensed to a third party in a non-monetary transaction and was subsequently sold to the same third-party in March 2026.

Website development cost

The costs incurred for activities during the website application and infrastructure development stage are capitalized in accordance with the guidance on internal-use software in FASB ASC 350-40. The Company capitalized no website development costs during the nine months ended September 30, 2026 and 2025. The Company recognized zero and $24 thousand of amortization expenses during the three months ended September 30, 2026 and 2025, respectively. The company recognized $40 thousand and $72 thousand of amortization expense during the nine months ended September 30, 2026 and 2025, respectively.

Valuation of long-lived assets

In accordance with FASB ASC 360, property, plant, and equipment, and long-lived assets are analyzed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. If there are indications of impairment, the Company uses future undiscounted cash flows of the related asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value. No impairment was recognized during the nine months ended September 30, 2026 and 2025.

Fair value of financial instruments

The Company adopted the provisions of FASB ASC 820 (the "Fair Value Topic") which defines fair value, establishes a framework for measuring fair value under U.S. GAAP, and expands disclosures about fair value measurements.

The Company measures fair value under a framework that utilizes a hierarchy prioritizing the inputs to relevant valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs used in measuring fair value are:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company as the ability to access.
- Level 2: Inputs to the valuation methodology include:
    - Quoted prices for similar assets or liabilities in active markets.
    - Quoted prices for identical or similar assets or liabilities in inactive markets.
    - Inputs other than quoted prices that are observable for the asset or liability.
    - Inputs that are derived principally from or corroborated by observable market date by correlation or other means.
    - If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In December 2024, the Company entered into a Securities Purchase Agreement (the "2024 Securities Purchase Agreement") pursuant to which the Company may issue a series of convertible notes for an aggregate principal amount not to exceed $36.0 million. During the year ended December 31, 2024, the Company issued a single convertible note in the principal amount of $4.5 million, (the "2024 Convertible Note"), of which $4.1 million was funded as of December 31, 2024, representing an original issue discount of ten percent. The Company elected the fair value guidance under ASC 825-10 and the 2024 Convertible Note was recognized at initial fair value as of the issuance date. The value of the 2024 Convertible Note at issuance approximated fair value as of December 31, 2024. Any issuances of additional convertible notes are subject to the terms and conditions of the 2024 Security Purchase Agreement (see Note 9).

On September 30, 2025, the Company, entered into Share Exchange Agreements (the "Share Exchange Agreements"), with two investors. The investors are shareholders of M2i, whose common stock is publicly quoted on the OTCQB Venture Market of OTC Markets Group, Inc. under the symbol "MTWO". Pursuant to the Share Exchange Agreements, the Company agreed to issue an aggregate of 1,197,604 shares of the Company's Class A common stock to the investors in exchange for an aggregate of 16,000,000 shares of M2i common stock (the "Investment in M2i"). At the date of the exchange, the Company recognized a loss of $115 thousand in "Loss from change in fair value of financial instruments" on the consolidated statement of operations for the difference between the fair value of the shares of the Company's common stock that were issued and the fair value of the Investment in M2i.

On April 16, 2026, the Company entered into two additional Share Exchange Agreements, and on April 17, 2026 the Company entered into a final Share Exchange Agreement with investors who are M2i shareholders. Pursuant to the additional Share Exchange Agreements, the Company agreed to issue an aggregate 5,407,499 shares of the Company's Class A common stock in exchange for an aggregate of 48,044,912 shares of M2i common stock. At the date of exchange, the Company recognized a loss of $80 thousand for the difference between the fair value of the shares of the Company's common stock that were issued and the fair value of the Investment in M2i.

On June 28, 2026, the Company entered into a mutual termination and release agreement with one of the M2i investors because the investor failed to transfer and deliver 27,902,467 M2i shares to the Company as required by the Share Exchange Agreements. In addition, the Company initiated proceedings against another of the M2i investors because the investor failed to transfer and deliver 4,000,000 M2i shares to the Company as required by the Share Exchange Agreements. In conjunction with the mutual termination and release agreement and legal proceedings, the Company cancelled 3,258,886 shares of Company common stock that were previously issued to the investors. During the nine months ended September 30, 2026, the Company recorded a gain of $959 thousand due to the unwind of the terminated agreements.

Pursuant to ASC 321, the Investment in M2i is measured at fair value each reporting period, with unrealized gain or loss recognized in earnings. The Investment in M2i is classified within Level 2 of the fair value hierarchy under ASC 820, as it is based on quoted prices for identical assets in inactive markets. The inputs are obtained from OTC quoted prices for level II. During the nine months ended September 30, 2026, the Company recorded a net loss of $479 thousand related to the change in fair value of the remaining Investment in M2i.

On October 1, 2025, the Company entered into the Amendment with flyExclusive, as described in Note 1. As part of the Amendment, flyExclusive agreed to pay $2.1 million in cash or shares of common stock to the Company for the net payables option and the proceeds from the sale of the fourth G280. flyExclusive issued the Company 432,099 shares of Class A common stock (the "Investment in flyExclusive") in the fourth quarter of 2025. At the date of the exchange, the Company recognized a loss of $6.1 million in Other Expense in the consolidated statements of operations. In January 2026, the Company effected a divided of the shares of flyExclusive stock it previously held to its stockholders. With the issuance of the dividend the Company recorded a loss of $101 thousand on the loss of the settlement of shares during the three months ended March 31, 2026.

On March 6, 2026, the Company signed amendment number five to the Agreement with flyExclusive, and sold certain unused intellectual property assets for $1.3 million payable in cash or shares of flyExclusive's Class A common stock. Such assets represent a portion of the total assets which were anticipated to be sold under one of the Asset Options as described above. flyExclusive issued an aggregate of 451,901 shares of its Class A common stock to the Company in March 2026 and is recorded as Investment in flyExclusive on the consolidated balance sheets. The Company did not hold any shares of flyExclusive during the three months ended September 30, 2026. During the nine months ended September 30, 2026, the Company recorded a loss of $128 thousand related to the change in fair value of the Investment in flyExclusive.

Pursuant to ASC 321, the Investment in flyExclusive is measured at fair value each reporting period, with unrealized gain or loss recognized in earnings. The Investment in flyExclusive is classified within Level 1 of the fair value hierarchy under ASC 820, as it is traded in an active market.

Additionally, with the signing of the Amendment with flyExclusive, as described in Note 1, it granted flyExclusive the flyExclusive Asset Option and granted the Company the Company Asset Option. The fair value of the Company's recorded Aviation Asset Option was determined based on unobservable inputs that are not corroborated by market data, which require a Level 3 classification. A Black-Scholes model was used to determine the fair value as of December 31, 2025. As of December 31, 2025, the Company fair valued the aviation asset and recorded a gain on the asset of $324 thousand. In March of 2026, the Company determined that the exercise of the Asset Options prior to the expiration of the Agreement was not probable and as such the value of the aviation asset was reduced to zero and a loss of $324 thousand was recorded in gain (loss) on change in financial instruments in the consolidated statements of operations.

On June 7, 2026, under the terms of the Purchase Agreement (as defined in Note 13), the Company delivered to the lead investor 451,901 shares of flyExclusive common stock, previously held by the Company, which resulted in the Company ceasing to hold any shares of flyExclusive common stock.

The following table presents balances of the fair value instruments as of September 30, 2026 and December 31, 2025, in thousands:

	Fair Value Measurements as of September 30, 2026			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial liabilities:				
Fifth Tranche Note	$ —	$ —	$ 25,117	$ 25,117
Warrant liability	—	—	72,040	72,040
Total financial liabilities	$ —	$ —	$ 97,157	$ 97,157
Financial assets:				
Investment in M2i	$ —	$ 614	$ —	$ 614
Total financial assets	$ —	$ 614	$ —	$ 614

	Fair Value Measurements as of December 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial liabilities:				
Third Tranche Note	$ —	$ —	$ 3,148	$ 3,148
Fourth Tranche Note	—	—	1,082	1,082
Total financial liabilities	$ —	$ —	$ 4,230	$ 4,230
Financial assets:				
Investment in M2i	$ —	$ 1,197	$ —	$ 1,197
Investment in flyExclusive	1,739	—	—	1,739
Aviation asset option	—	—	324	324
Total financial assets	$ 1,739	$ 1,197	$ 324	$ 3,260

The following table presents changes of all convertible notes issued under the 2024 Securities Purchase Agreement (see Note 9) with significant unobservable inputs (Level 3) for the three and nine months ended September 30, 2026, in thousands:

	2024 Convertible Notes
Balance at December 31, 2025	$ 4,230
Change in fair value	60
Conversions	(4,043)
Balance at March 31, 2026	$ 247
Change in fair value	3
Conversions	(250)
Balance at June 30, 2026	$ —
Issuance of Fifth Tranche Note	15,813
Change in fair value	9,304
Balance at September 30, 2026	$ 25,117

The Company measured the Fifth Tranche Note (as defined in Note 9) using a Monte Carlo simulation valuation model using the following assumptions:

	September 30, 2026 Fifth Tranche Note
Volume Weighted average stock price ("VWAP")	$ 0.38
Simulation Period	0.95
Expected Volatility	155.9%
Credit risk-adjusted rate	28.4%
Risk-free Rate	4.52%

At issuance on September 11, 2026, the Fifth Tranche Note was valued using a Monte Carlo simulation with a VWAP of $0.18, a simulation period of 1.00 year, expected volatility of 155.9%, a credit risk-adjusted rate of 27.0% and a risk-free rate of 4.35%.

Replacement warrant liability

The replacement warrant liability is measured at fair value on a recurring basis using significant unobservable inputs (Level 3). The fair value of the replacement warrant liability was $67.4 million at the Closing Date and $72.0 million at September 30, 2026. The $4.7 million increase in fair value for the period from the Closing Date to September 30, 2026 is included in loss from change in fair value of financial instruments in the consolidated statements of operations for the three and nine months ended September 30, 2026. The increase relates entirely to replacement warrants outstanding at September 30, 2026.

The Company, with the assistance of a third-party valuation specialist, estimates the fair value of the replacement warrants using a Monte Carlo simulation of the value of the Company's common stock. The simulation assumes the following upon the Company's planned private placement:

- the exercise price of each warrant is reset under the full-ratchet provision to the then-current value of the common stock;
- the number of shares issuable increases so that the aggregate exercise price is unchanged;
- each warrant is exercised at its expiration date if it is in the money.

The fair value of each warrant is the average of the simulated payoffs, discounted at risk-free rates commensurate with its remaining term. The Company did not change the valuation technique from the Closing Date.
The starting value of the common stock in the simulation is derived from the estimated combined equity value of the Company. The combined equity value is the sum of two components:

- the fair value of the equity of Alignment Engine, estimated using a discounted cash flow method;
- the fair value of the Company's equity before the Alignment Engine Merger, based on the 30-day volume-weighted average price of the Class A common stock.

The combined equity value is allocated among the Preferred Stock, the common stock, the warrants and the options using an option pricing method. The common stock is measured after giving effect to the in-kind dividend to be issued to the Company's pre-merger stockholders.

The most significant judgment in the remeasurement at September 30, 2026 was management's conclusion that the combined equity value had not changed significantly from the Closing Date.

- The combined equity value was estimated at $212.0 million at September 30, 2026, compared with $208.0 million at the Closing Date.
- The resulting value of the common stock used in the simulation was $0.055 per share, compared with $0.054 per share at the Closing Date.
- During the same period, the closing price of the Company's Class A common stock on the NYSE American increased from $0.19 per share on September 11, 2026 to $0.33 per share on September 30, 2026.

Management did not derive the value of the common stock used in the simulation directly from the quoted market price of the Class A common stock, for the following reasons:

- the outstanding Class A common stock represents a small portion of the Company's fully diluted capitalization;
- the Preferred Stock, warrants and options issued in the Alignment Engine Merger, which represent most of the Company's equity, are not traded;
- management does not believe that the increase in the quoted market price during the period reflected a corresponding change in the value of the combined company.

The following table presents the significant inputs used to measure the replacement warrant liability:

	September 30, 2026	September 11, 2026 (Closing Date)
Fair value of the equity of Alignment Engine (in millions)	$ 197.0	$ 196.5
Fair value of the Company's pre-merger equity (in millions)	$ 15.0	$ 11.5
Combined equity value (in millions)	$ 212.0	$ 208.0
Value of common stock per share	$ 0.055	$ 0.054
Expected volatility	118.3%	114.2%
Risk-free rates	5.00% to 5.09%	4.12% to 4.87%
Expected terms (years)	Up to 6.6	Up to 6.7
Expected date of the planned private placement	November 30, 2026	November 30, 2026
Expected dividend yield	0%	0%

The significant unobservable inputs are:

- the combined equity value;
- the value of the common stock derived from it;
- the expected volatility;
- the expected timing and pricing of the planned private placement.

At both dates, the discounted cash flow method used to estimate the equity of Alignment Engine applied a discount rate of 24.0% and a long-term growth rate of 3.0%.

The inputs move the fair value of the replacement warrant liability as follows:

- Combined equity value and value of the common stock: an increase in either would increase the fair value. The value of the common stock depends on Alignment Engine's projected cash flows and the discount rate used to estimate the combined equity value.
- Expected volatility: an increase would increase the fair value.
- Planned private placement: the fair value of the warrants with exercise prices of $0.4183 and $0.8366 depends primarily on the assumed reset of their exercise prices. If the private placement is not completed, or is completed at a price above the value of the common stock assumed in the simulation, the fair value of those warrants would be significantly lower.

As of the date these financial statements were issued, the Company had not entered into definitive agreements for the private placement. It is reasonably possible that the estimated fair value of the replacement warrant liability will change materially in the near term.
The following table presents the changes in the replacement warrant liability for the three and nine months ended September 30, 2026, in thousands:

	Replacement warrant liability
Balance at June 30, 2026 and December 31, 2025	$ —
Issued in the Alignment Engine Merger	67,369
Change in fair value	4,671
Balance at September 30, 2026	**$ 72,040**

The following table represents the change in the Aviation asset option for the three and nine months ended, September 30, 2026, in thousands:

	Aviation asset option
Balance at December 31, 2025	$ 324
Additions	—
Change in fair value	(324)
Balance at September 30, 2026	$ —

There were no transfers between fair value levels during the period. There were no gains and losses attributable to changes in instrument specific credit risk as the Company determined the likelihood of an event of default to be de minimus. The carrying amount of the Company's financial assets and liabilities, such as cash, accounts receivable, prepaid and other assets, accounts payable and accrued expenses, and deposits approximate their fair value because of the short maturity of those instruments. The Company's credit facility, convertible notes and other loans approximate the fair value of such liabilities based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements and due to the short-term maturity of these instruments at September 30, 2026 and December 31, 2025.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB ASC to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred, and the amount of the assessment can be reasonably estimated.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in FASB ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480") and FASB ASC 815, *Derivatives and Hedging* ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common

stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent reporting period end date while the warrants are outstanding. The public and private placement warrants have met the criteria for equity treatment. The replacement warrants issued in the Alignment Engine Merger are classified as liabilities and are measured at fair value at issuance and at each reporting date, with changes in fair value recognized in the consolidated statements of operations (see Note 13).

Revenue Recognition

Revenues are recognized on a gross basis and presented on the consolidated statements of operations net of rebates, discounts, and taxes collected concurrent with revenue-producing activities. The transaction price in the Company's contracts with its customers is fixed at the time control of goods and services are transferred to the customer. Therefore, the Company does not estimate variable consideration or perform a constraint analysis for our contracts.

The Company determines revenue recognition pursuant to ASC 606, Revenue from Contracts with Customers, through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligation(s) in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction to the performance obligation(s) in the contract.
5. Recognize revenue when or as the entity satisfies a performance obligation.

The Company has historically generated revenue primarily through: (i) the sale of aircraft, and (ii) the Vaunt software-as-a-subscription product. Revenue is recognized when control of the promised service is transferred to a customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. At contract inception, the Company assesses the goods and services promised in its contracts with customers and identifies, as a performance obligation, each promise to transfer a good or service to a customer that is distinct. To identify its performance obligations, the Company considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

For each revenue stream, we evaluate whether our obligation is to provide the good or service itself, as the principal or to arrange for the good or service to be provided by the other party, as the agent, using the control model. In such circumstances, the Company is primarily responsible for satisfying the overall performance obligation with the customer and is considered the principal in the relationship.

Revenue from aircraft sales is recognized upon the delivery of the aircraft.

The Company generated revenue during the three and nine months ended September 30, 2026 and 2025, broken down as follows, in thousands:

	Three Months Ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Aircraft sales	$ —	$ —	$ —	$ 49,600
Subscription	1,316	381	3,283	1,119
Total	$ 1,316	$ 381	$ 3,283	$ 50,719

Revenue from the sales of the Company's Vaunt Software-as-a-subscription is deferred and recognized over the subscription term of the software and is included in deferred revenue and customer deposits on the consolidated balance sheets. Additionally, in the nine months ended September 30, 2026 we recognized revenue of $152 thousand related to mission control and the third-party non-monetary transaction.

The following table provides a rollforward of deferred revenue, recorded in deferred revenue and customer deposits in the consolidated balance sheets, for the nine months ended September 30, 2026, in thousands:

	Amount
Balance as of December 31, 2025	$ 2,722
Revenue recognized	(3,110)
Revenue deferred	6,124
Customer prepayments received – AI Infrastructure	39,946
Balance as of September 30, 2026	$ 45,682

Revenue recognized during the nine months ended September 30, 2026 included $1.7 million that was included in deferred revenue as of December 31, 2025. As of September 30, 2026, the Company expects to recognize $4.4 million of the Vaunt deferred revenue balance as revenue over the next twelve months and the remaining $1.3 million thereafter.

As of September 30, 2026, the aggregate contract value of the AI Infrastructure segment's take-or-pay orders for dedicated GPU infrastructure (see Note 1) was approximately $1.17 billion, including the $39.9 million prepayment, payable over the 48-month term of each order beginning December 31, 2026 and June 30, 2027. The Company is evaluating whether the orders contain a lease and expects to complete that evaluation before service begins.

Assets Recognized from the Costs to Obtain Revenue Contracts

The Company recognizes an asset for the incremental costs of obtaining a contract with a client if it expects the amortization period to be longer than one year, such costs are specifically identifiable, generate or enhance resources used to satisfy future performance obligations, and are expected to be recovered. The Company has determined the costs incurred are incremental and recoverable and are subject to capitalization and amortization under ASC 340-40. The capitalized costs relate to revenue share with Vaunt operators and Vaunt sales commissions. The assets are capitalized and amortized ratably over the expected period of the benefit, which is currently estimated at 14 months. In April, after the sale of certain assets to flyExclusive, the Company wrote off $264 thousand of the remining amount of the flyExclusive amortization and is recorded in gain on sale of asset in the consolidated statements of operations as of September 30, 2026.

The following tables present the asset balances and related amortization expense for the contract assets:

	As of and for the nine months ended September 30, 2026			
	Beginning Balance	Amount Capitalized, net	Amortization	Ending Balance
Contract assets	$ 636	$ 1,562	$ (943)	$ 1,255

	As of and for the twelve months ended December 31, 2025			
	Beginning Balance	Amount Capitalized	Amortization	Ending Balance
Contract assets	$ —	$ 935	$ (299)	$ 636

Income taxes

The Company follows Section 740-10-30 of the FASB ASC, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company follows the guidance of 740-10-25 of the FASB ASC ("Section 740-10-25") with regards to uncertainty in income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its assets and/or liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25. The Company recognizes interest related to income tax liabilities in interest income (expense), net and penalties in selling, general and administrative expenses.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction, and state jurisdictions. The Company is subject to U.S. Federal, state, and local income tax examinations by tax authorities. The Company currently is not under examination by any tax authority.

Stock-based compensation

The Company accounts for equity-based compensation using the fair value method as set forth in the ASC 718, *Compensation—Stock Compensation*, which requires the measurement and recognition of compensation expense for all stock-based payment awards based on estimated fair values. This method requires companies to estimate the fair value of stock-based compensation on the date of grant using an option pricing model. The Company estimates the fair value of each equity-based payment award on the date of grant using the Black-Scholes pricing model.

The Black-Scholes model determines the fair value of equity-based payment awards based on the fair value of the underlying common stock on the date of grant and requires the use of estimates and assumptions, including the fair value of the Company's common stock, exercise price of the stock option, expected volatility, expected life, risk-free interest rate and dividend rate. The Company estimates the expected volatility of its stock options by taking the average historical volatility of a group of comparable publicly traded companies over a period equal to the expected life of the options; it is not practical for the Company to estimate its own volatility due to the lack of historical prices. The expected term of the options is determined in accordance with existing equity agreements as the underlying options are assumed to be exercised upon the passage of time. The risk-free interest rate is the estimated average interest rate based on U.S. Treasury zero-coupon notes with terms consistent with the expected life of the awards. The expected dividend yield is zero as the Company does not anticipate paying any recurring cash dividends in the foreseeable future. The Company accounts for forfeitures as they occur.

Net income (loss) per share

The Company computes basic and diluted earnings per share amounts pursuant to section 260-10-45 of FASB ASC. Basic earnings per share is computed by dividing net income (loss) available to common stockholders, by the weighted average number of shares of common stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted earnings per share is computed by dividing net income (loss) available to common stockholders by the diluted weighted average number of shares of common stock during the period. The diluted weighted average number of common shares outstanding is the basic weighted number of shares adjusted as of the first day of the year for any potentially dilutive debt or equity. In periods in which a net loss has been incurred, all potentially dilutive common shares are considered anti-dilutive and thus are excluded from the calculation. Securities that are excluded from the calculation of weighted average dilutive common shares because their inclusion would have been antidilutive for the nine months ended September 30, 2026, include stock options, restricted stock units, warrants, the Fifth Tranche Note and the Preferred Stock.

The Company's Series A and Series A-1 convertible preferred stock represents participating securities under ASC 260 due to their contractual rights to dividends on common stock on an as-converted basis. Accordingly, the Company applies the two-class method, which allocates earnings based on the respective participation rights of common and preferred stockholders. Because preferred stockholders are not contractually obligated to share in losses, no losses were allocated to them for the three and nine months ended September 30, 2026.

Conversion of the preferred stock remains subject to stockholder approval and, for Series A-1, NYSE American approval. As these conditions had not been satisfied as of September 30, 2026, the underlying potential common shares were excluded from diluted loss per share.

The Company had 185,626,633 and 17,766 outstanding stock options to purchase an equivalent number of shares of common stock at September 30, 2026, and 2025, respectively.

The Company had 10,964 and 47,323 outstanding restricted stock units to purchase an equivalent number of shares of common stock at September 30, 2026 and 2025, respectively.

The Company had 1,258,283,615 and 1,161,195 outstanding warrants to purchase an equivalent number of shares of common stock at September 30, 2026 and 2025, respectively. At September 30, 2026, these include 1,257,122,420 Alignment Engine replacement warrants with a weighted average exercise price of $0.03 per share (see Note 13). The remaining 1,161,195 warrants (609,195 private placement and 552,000 public warrants) have an exercise price of $287.50 per share.

Concentration of credit risk

The Company maintains its cash with major financial institutions located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At times, the Company may maintain balances in excess of the federally insured limits. As of September 30, 2026 the Company had approximately $39.9 million in excess of FDIC-insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash.

As of September 30, 2026, all of the Company's AI Infrastructure deferred revenue, consisting of the $39.9 million customer prepayment received on September 30, 2026, and all of the approximately $1.17 billion aggregate contract value of its orders for dedicated GPU infrastructure (see Note 1) were with one customer. The loss of this customer, or its failure to perform under the orders, could have a material adverse effect on the Company's business, financial condition and results of operations.

Intangible assets

Intangible assets other than goodwill consist of finite-lived customer relationships and developed technology acquired in the Alignment Engine Merger. At initial recognition, intangible assets acquired in a business combination are recognized at their fair value as of the date of acquisition. Following initial recognition, finite-lived intangible assets are carried at cost less accumulated amortization and impairment losses, if any, and are amortized on a straight-line basis over the estimated useful life of the asset, which is determined based on management's estimate of the period over which the asset will contribute to our future cash flows.

The Company reviews the intangible assets for impairment on an annual basis or if events or changes in circumstances indicate that their carrying amount may not be recoverable. These events could include a significant change in the business climate, legal factors, a decline in operating performance, competition, sale, or disposition of a significant portion of the business, or other factors. If the carrying amount is not recoverable, an impairment loss would be recorded for the difference of the value recorded and the fair value. There was no impairment loss for the three and nine months ended September 30, 2026 or 2025.

Goodwill

Goodwill represents the excess of the aggregate purchase price paid over the fair value of the net assets acquired in our business combinations. Goodwill is not amortized and is tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Events or changes in circumstances that could trigger an impairment review include a significant adverse change in business climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of our use of the acquired assets or the strategy for our overall business, significant negative industry or economic trends, or significant underperformance relative to expected historical or projected future results of operations. The Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill.

If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, additional impairment testing is not required. The Company tests for goodwill impairment annually as of October 1. In March 2025, the Company sold GC Aviation, Inc. which held the Part 135 air carrier certificate. In connection with that sale, the Company recorded an impairment on goodwill of $35 thousand for the nine months ended September 30, 2025. The loss is recorded in other income, net in the consolidated statements of operations. The Company evaluated whether events or changes in circumstances occurring between the Closing Date and September 30, 2026 indicated that it was more likely than not that the fair value of the AI infrastructure reporting unit was less than its carrying amount, and concluded that no interim impairment test was required. There was no impairment loss recorded for the three and nine months ended September 30, 2026.

Segment reporting

The Company identifies operating segments as components of the Company for which discrete financial information is available and is regularly reviewed by the chief operating decision maker ("CODM"), or decision-making group, in making decisions regarding resource allocation and performance assessment. The CODM is the chief executive officer. Following the Alignment Engine Merger, the Company reorganized its operations and manages its business through two reportable segments: AI Infrastructure and Aviation AI and Software. The CODM uses segment operating income (loss) to assess segment performance and allocate resources. Prior to the merger, the Company operated in a single operating and reportable segment. Prior-period segment information has been recast to conform to the current presentation. See Note 15. Substantially all of our long-lived assets are located in the U.S.

Cost of revenue

Cost of revenue includes costs that are directly related to the related revenue streams – aircraft sales and subscription based revenue. Aircraft sales cost of revenue is our purchase price of the aircraft. Subscription costs includes costs of our proprietary software, the Vaunt platform.

Advertising costs

Advertising costs are expensed as incurred and included in selling, general and administrative expenses on the consolidated statements of operations. Such advertising amounted to $0.4 million and $0.3 million for the three months ended September 30, 2026 and 2025, respectively. Advertising amounted to $0.9 million and $0.6 million for the nine months ended September 30, 2026 and 2025, respectively.

Leases

ASC Topic 842, "Leases" ("ASC 842") requires lessees to recognize most leases on the balance sheet with a corresponding right-of-use asset ("ROU asset"). ROU asset represents the Company's right to use an underlying asset for the lease term and lease liability represents the Company's obligation to make lease payments arising from the lease. The right-of-use asset and lease liability are recognized at the lease commencement date based on the estimated present value of fixed lease payments over the lease term. ROU asset is evaluated for impairment using the long-lived asset impairment guidance. Leases are classified as financing or operating, which will drive the expense recognition pattern. The Company elects to exclude short-term leases when recording a ROU asset and lease liability if and when the Company has them.

Recently adopted accounting pronouncements

In November 2024, the FASB issued ASU 2024-04, Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments, which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as induced conversions. The Company adopted ASU 2024-04 on January 1, 2026 on a prospective basis. The adoption did not have a material impact on the Company's condensed consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which provides a practical expedient that permits entities to assume that current conditions as of the balance sheet date do not change for the remaining life of current accounts receivable and contract assets. The Company adopted ASU 2025-05 on January 1, 2026 and elected the practical expedient, applied prospectively. The adoption did not have a material impact on the Company's condensed consolidated financial statements.

Recently issued accounting pronouncements not yet adopted

In November 2024, the FASB issued Accounting Standards Update 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03") and in January 2025, the FASB issued ASU 2025-01, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date ("ASU 2025-01"). ASU 2024-03 is intended to enhance the disclosures for expenses for all public entities in accordance with ASC Topic 220, Income Statement-Reporting Comprehensive Income. ASU 2024-03 addresses investor requests for more detailed information about expenses, specifically cost of sales and selling, general, and administrative expenses. ASU 2024-03 requires a public entity to disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities (or other amounts of depletion expense) included in each relevant expense caption presented on the face of the income statement as well as a qualitative description of the amounts remaining in the relevant expense captions that are not separately disaggregated quantitatively. ASU 2024-03 also requires a public entity to disclose the total amount of selling expenses and the entity's definition of selling expenses. ASU 2024-03, as clarified by ASU 2025-01, is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. A public entity should apply ASU 2024-03 either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of ASU 2024-03 on its future consolidated financial statements and related disclosures.

In May 2025, the FASB issued ASU 2025-03, Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity, which requires an entity to consider the factors in ASC 805-10-55-12 through 55-15 to determine the accounting acquirer in a business combination effected primarily by exchanging equity interests when the legal acquiree is a variable interest entity that meets the definition of a business. ASU 2025-03 is effective for annual reporting periods beginning after December 15, 2026, including interim periods within those annual periods, and is applied prospectively to business combinations that occur after the initial application date. The Company does not expect the adoption to have a material impact on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-07, Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract, which excludes from derivative accounting certain non-exchange-traded contracts with underlyings based on operations or activities specific to one of the parties to the contract, and clarifies that share-based noncash consideration from a customer is accounted for under Topic 606. ASU 2025-07 is effective for annual reporting periods beginning after December 15, 2026, including interim periods within those annual periods. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2025-07 on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The amendments modernize the guidance used to determine when costs incurred in developing internal-use software should be capitalized. The amendments are effective for annual reporting periods beginning after December 15, 2027, including interim periods within those annual periods. Early adoption is permitted. The Company is currently evaluating the effect of the amendments on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which clarifies interim disclosure requirements and the applicability of Topic 270. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact that adoption of ASU 2025-11 will have on its condensed consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12, Codification Improvements, which makes technical corrections, clarifications and other minor improvements to a wide range of topics in the Codification. ASU 2025-12 is effective for annual reporting periods beginning after December 15, 2026, including interim periods within those annual periods. The Company does not expect the adoption to have a material impact on its consolidated financial statements.

The Company has reviewed other recently issued accounting pronouncements and does not believe any of them will have a material impact on its consolidated financial statements or related disclosures.

NOTE 3 – BUSINESS COMBINATION

On August 25, 2026, the Company entered into an Agreement and Plan of Merger (as subsequently amended, the "Alignment Merger Agreement") with Alignment Merger Sub and Alignment Engine. On the Closing Date, Alignment Engine merged with and into Alignment Merger Sub, with Alignment Merger Sub surviving as a wholly owned subsidiary of the Company. On October 12, 2026, Alignment Merger Sub changed its name to Sovereign AI Chillicothe, LLC.

Pursuant to the Alignment Merger Agreement, at the closing of the Alignment Engine Merger, the outstanding equity interests of Alignment Engine (other than options and warrants) were converted into 79,078 shares of the Company's Series A Convertible Preferred Stock (the "Series A Preferred Stock") and 316,312 shares of the Company's Series A-1 Convertible Preferred Stock (the "Series A-1 Preferred Stock" and, together with the Series A Preferred Stock, the "Preferred Stock"), and the outstanding options and warrants to purchase Alignment Engine equity were converted into options and warrants to purchase shares of the Company's common stock, the exercisability of which is subject to stockholder approval. No cash consideration was paid. Upon conversion of the Preferred Stock, following stockholder approval, the former Alignment Engine securityholders are expected to hold approximately 95% of the Company's common stock on an as-converted, fully diluted basis.

Each share of Preferred Stock has a stated value of $641.5267 and is convertible into shares of the Company's common stock at a conversion price of $0.1537 per share, or approximately 1,650,313,870 shares of common stock in the aggregate, subject to (i) the approval by the NYSE American of the listing of the combined company, (ii) stockholder approval of the conversion of the Preferred Stock and (iii) the effectiveness of an amendment to the Company's certificate of incorporation to increase the number of authorized shares of common stock. The Preferred Stock has no voting rights except as required by Delaware law, participates in dividends on an as-converted basis and ranks senior to the Company's common stock upon liquidation. The former Alignment Engine securityholders are subject to a 180-day lock-up following the Closing Date.

Accounting for the Alignment Engine Merger

The Alignment Engine Merger was accounted for as a business combination under ASC 805, Business Combinations, using the acquisition method of accounting, with the Company as the accounting acquirer. Under the acquisition method, the identifiable assets acquired and liabilities assumed were recognized at their estimated fair values as of the Closing Date, and the excess of the purchase consideration over the fair value of the net identifiable assets acquired was recognized as goodwill. The amounts recognized for the assets acquired, the liabilities assumed and goodwill are preliminary and subject to change during the measurement period, as described below.

The purchase consideration consisted of the following, in thousands:

	Amount
Fair value of Series A Preferred Stock issued	$ 22,368
Fair value of Series A-1 Preferred Stock issued	89,470
Fair value of replacement options attributable to pre-combination service	5,287
Fair value of replacement warrants (warrant liability)	67,369
Total purchase consideration	**$ 184,494**

The purchase consideration of $184.5 million was measured at the fair value on the Closing Date of the Series A and Series A-1 Preferred Stock, the replacement warrants and the portion of the replacement options attributable to pre-combination service issued, of $111.8 million, $67.4 million and $5.3 million, respectively. The fair values were determined by estimating the combined equity value of the Company and Alignment Engine, using a discounted cash flow method for Alignment Engine and the 30-day volume-weighted average price of the Company's common stock for the Company, and allocating that value to the Preferred Stock and common stock using an option pricing method. The replacement warrants are classified as a liability (see Note 13). The fair value of the replacement options was determined using the Black-Scholes option pricing model, and the fair value of the replacement warrants was determined using a Monte Carlo simulation (see Note 2). The fair value of replacement options that vest upon a performance milestone, $0.3 million, is attributable to post-combination service and was excluded from the purchase consideration; it will be recognized as compensation expense when achievement of the milestone becomes probable.

The following table summarizes the preliminary allocation of the purchase consideration to the identifiable assets acquired and liabilities assumed as of the Closing Date, in thousands:

	Amount
Cash	$ 465
Inventory	3,073
Prepaid expenses and other current assets	4,939
Property and equipment	873
Construction in progress	635
Operating lease right-of-use assets	2,616
Intangible assets – customer relationships	60,600
Intangible assets – developed technology	6,600
Other assets	20
Total identifiable assets acquired	**79,821**
Accounts payable and accrued liabilities	(2,888)
Operating lease liabilities	(2,016)
Bridge notes and accrued interest	(6,404)
Deferred tax liability, net	(16,809)
Total liabilities assumed	**(28,117)**
Net identifiable assets acquired	**51,704**
Goodwill	132,790
Total purchase consideration	**$ 184,494**

The purchase price allocation is preliminary. The amounts recognized for the assets acquired and liabilities assumed, the related deferred income taxes and the resulting goodwill, as well as the fair value of the purchase consideration, are provisional and are based on management's estimates and the information available as of the date of these consolidated financial statements. The Company has not finalized the valuations of the acquired intangible assets, property and equipment, construction in progress, the operating lease right-of-use asset and lease liability, the bridge notes assumed (see Note 9) and income taxes. During the measurement period, which will not exceed one year from the Closing Date, the Company may adjust the provisional amounts to reflect new information obtained about facts and circumstances that existed as of the Closing Date, with a corresponding adjustment to goodwill. Measurement period adjustments are recognized in the reporting period in which they are determined, and such adjustments could be material.

Goodwill represents the excess of the purchase consideration over the fair value of the net identifiable assets acquired and is primarily attributable to the assembled workforce and the expected growth of the AI infrastructure business. Goodwill has been assigned to the AI Infrastructure segment and is not expected to be deductible for income tax purposes. Identifiable intangible assets consist of customer relationships of $60.6 million and developed technology of $6.6 million, which are being amortized on a straight-line basis over five and six years, respectively. Amortization expense was $0.7 million for the three and nine months ended September 30, 2026, and estimated amortization expense is $3.3 million for the remainder of 2026 and $13.2 million for each of the years 2027 through 2030. The fair value of the customer relationships was determined using the multi-period excess earnings method, and the fair value of the developed technology was determined using the cost to recreate method. Significant assumptions included forecasted revenue from Alignment Engine's customer, the probability of contract renewal and a discount rate of 24.0%.

Transaction costs and results of Alignment Engine

The Company incurred transaction costs of approximately $0.7 million related to the Alignment Engine Merger, which are included in selling, general and administrative expenses in the consolidated statements of operations for the three and nine months ended September 30, 2026. Alignment Engine incurred an additional $0.2 million of transaction costs before the Closing Date, which are included in the liabilities assumed, for total transaction costs of approximately $0.9 million.

The results of Alignment Engine have been included in the Company's consolidated financial statements from the Closing Date. From the Closing Date through September 30, 2026, Alignment Engine had no revenue and a net loss of $0.9 million, including $0.7 million of amortization of acquired intangible assets, which are reported in the AI Infrastructure segment.

Unaudited pro forma information

The following unaudited pro forma information presents the combined results of the Company and Alignment Engine as if the Alignment Engine Merger had occurred on January 1, 2025, in thousands. The pro forma information is not necessarily indicative of the results that would have been achieved had the Alignment Engine Merger occurred on that date, nor of future results. The pro forma information includes adjustments for amortization of acquired intangible assets and depreciation of the fair value adjustments to property and equipment and the right-of-use asset; the elimination of interest expense on Alignment Engine's convertible notes and of changes in the fair value of its warrant liabilities, which were converted in the Alignment Engine Merger; and the recognition in the first quarter of 2025 of transaction costs, the amortization of the discount on the Bridge Notes and a stock grant to Alignment Engine's chief executive officer made in connection with the Alignment Engine Merger. The pro forma information also includes the related income tax effect, a deferred income tax benefit on the amortization of acquired intangible assets at a blended statutory rate of 25.5%. No income tax effects were recognized on the other adjustments or on the results of Alignment Engine before the Alignment Engine Merger because of the valuation allowances on the deferred tax assets of both companies.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 1,406	$ 413	$ 3,373	$ 50,818
Net income (loss)	$ (39,145)	$ 3,412	$ (50,281)	$ (8,543)

NOTE 4 – DISCONTINUED OPERATIONS

In March 2025, the Company sold GC Aviation, Inc., which held the FAA Part 135 certificate, therefore items related to GC Aviation, Inc. are included in discontinued operations.

Major classes of line items constituting net income (loss) from discontinued operations are as follows:

	Three Months Ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue - Aircraft usage	$ —	$ 6	$ —	$ 87
Revenue - Managed aircraft	—	—	—	—
Costs of Revenue - Aircraft usage	—	—	—	65
Cost of Revenue - Managed aircraft	—	—	—	—
Selling, general and administrative	—	37	—	343
Other income from discontinued operations	—	4,840	103	5,845
Income from discontinued operations before provision for taxes	—	4,809	103	5,524
Provision (benefit) for taxes from discontinued operations	1	(5)	1	(304)
Net income (loss) from discontinued operations, net	$ (1)	$ 4,814	$ 102	$ 5,828

Carrying amounts and major classes of assets included as part of discontinued operations are as follows:

	September 30, 2026	December 31, 2025
Accounts receivable, net	$ 32	$ 13
Prepaid and other assets	—	254
Total assets associated with discontinued operations	$ 32	$ 267

Carrying amounts and major classes of liabilities included as part of discontinued operations are as follows:

	September 30, 2026	December 31, 2025
Accounts payable and accrued liabilities	$ —	$ 1,307
Customer deposits and deferred revenue	—	284
Total liabilities associated with discontinued operations	$ —	$ 1,591

NOTE 5 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets was $5.5 million as of September 30, 2026, consisting primarily of $4.8 million of prepaid rent of Alignment Engine, $0.3 million of prepaid insurance and $0.1 million of prepaid public relations services paid in common stock. The remaining balance consisted of other miscellaneous prepaid expenses and current assets.

NOTE 6 – GOODWILL AND INTANGIBLE ASSETS

Goodwill

Goodwill of $132.8 million as of September 30, 2026 arose from the Alignment Engine Merger and is assigned to the AI Infrastructure segment and reporting unit (see Note 3). The Company had no goodwill as of December 31, 2025. No impairment of goodwill was recognized for the three and nine months ended September 30, 2026.

Finite-Lived Intangible Assets

Finite-lived intangible assets acquired in the Alignment Engine Merger consisted of the following as of September 30, 2026, in thousands:

	Useful life	Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	5 years	$ 60,600	$ (631)	$ 59,969
Developed technology	6 years	6,600	(57)	6,543
Total	5.1 years	$ 67,200	$ (688)	$ 66,512

Amortization expense of acquired intangible assets was $0.7 million for the three and nine months ended September 30, 2026. There was no amortization expense of acquired intangible assets for the three and nine months ended September 30, 2025. The weighted-average useful life of the acquired finite-lived intangible assets is 5.1 years. As of September 30, 2026, estimated future amortization expense of finite-lived intangible assets was as follows, in thousands:

Remainder of 2026 (October 1 through December 31)	$ 3,332
2027	13,220
2028	13,220
2029	13,220
2030	13,220
Thereafter	10,300
Total	$ 66,512

Indefinite-Lived Intangible Assets

In March 2025, the Company sold GC Aviation, Inc., which held the FAA Part 135 Certificate for $2.0 million. The Company did not recognize any impairment of the Part 135 certificate during the three months ended March 31, 2025. As of September 30, 2026 and December 31, 2025, the value of the FAA Part 135 certificate was zero.

NOTE 7 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following at September 30, 2026 and December 31, 2025, in thousands:

	September 30, 2026	December 31, 2025
Machinery and equipment	$ 392	$ 186
Website development costs	290	290
Computer and office equipment	93	12
Software development costs	683	553
Furniture and fixtures	15	—
Leasehold improvements	438	—
Construction in progress	4,345	—
	6,256	1,041
Less accumulated depreciation	(469)	(718)
Property and equipment, net	$ 5,787	$ 323

During the three months ended September 30, 2026 and 2025, the Company recognized $64 thousand and $75 thousand of depreciation and amortization, respectively. During the nine months ended September 30, 2026 and 2025, the Company recognized $184 thousand and $243 thousand of depreciation and amortization, respectively.

During the nine months ended September 30, 2026 and 2025, the Company reduced the value of software development cost by $32 thousand and $129 thousand, related to a non-monetary exchange with a third party and their use of our mission control software. This software development cost was for software originally developed for internal use and has subsequently been sold to the third party in a non-monetary transaction.

NOTE 8 – NOTE RECEIVABLE

On March 20, 2025, the Company sold its former subsidiary GC Aviation, Inc., which held the FAA Part 135 certificate for $2.0 million and recorded a $1.8 million note receivable. The note receivable bears interest at a rate of 7% annually amortized over 15 years with a three year balloon payment. The first payment was to be the sooner of 120 days from the date of closing or the first business day following the first charter flight performed by the buyer.

On June 17, 2026, the Company entered into an amendment to the agreement, under which it sold GC Aviation, Inc. The Company elected to waive certain interest due under the note and extend the first payment date to December 19, 2026.

Note receivable consisted of the following as of September 30, 2026, and December 31, 2025, in thousands:

	September 30, 2026	December 31, 2025
Principal	$ 1,800	$ 1,800
Accrued interest receivable	108	99
Net carrying value	1,908	1,899
Less: Note Receivable, short-term	(159)	(206)
Note receivable, long-term	$ 1,749	$ 1,693

NOTE 9 – UNSECURED CONVERTIBLE NOTES

Unsecured convertible notes consisted of the following at September 30, 2026 and December 31, 2025, in thousands:

	September 30, 2026	December 31, 2025
Unsecured convertible note, 4% coupon, due July 2026**	$ —	$ 3,148
Unsecured convertible note, 4% coupon, due October 2026***	—	1,082
Unsecured convertible note, due September 2027 (Fifth Tranche Note)	25,117	—
Less current portion	(25,117)	(4,230)
Total convertible notes, long term	$ —	$ —

** Represents the Third Tranche Note (as described in this Note 9)
*** Represents the Fourth Tranche Note (as described in this Note 9)

During the year ended December 31, 2024, the Company entered into the 2024 Securities Purchase Agreement as described in Note 2 above pursuant to which the Company may issue a series of convertible notes for an aggregate principal not to exceed $36.0 million. On September 10, 2026, in connection with the Alignment Engine Merger, the Company entered into a waiver agreement (the "Waiver Agreement") with the investor under the 2024 Securities Purchase Agreement, pursuant to which the investor waived its right to consummate further closings under the 2024 Securities Purchase Agreement, other than the issuance of the Fifth Tranche Note described below, and certain other rights. Including the Fifth Tranche Note, the Company has issued $18.72 million in aggregate principal amount of convertible notes under the 2024 Securities Purchase Agreement, and no further convertible notes may be issued under the 2024 Securities Purchase Agreement.

Unsecured convertible note due December 2025 - 2024 Convertible Note

During the year ended December 31, 2024, the Company issued a single convertible note in a principal amount of $4.5 million, (as defined above, the "2024 Convertible Note") of which $4.1 million was funded as of December 31, 2024, representing an original issue discount of ten percent. Interest is payable quarterly at the Company's option and shall either be (i) paid in cash; (ii) paid-in-kind in shares of common stock; or (iii) compound and become additional principal outstanding. The Company recorded $14 thousand of accrued interest expense in the year ended December 31, 2024. During the three months ended March 31, 2025 the $14 thousand of paid-in-kind interest was rolled into the principal balance of the 2024 Convertible note.

The 2024 Convertible Note is accounted for as a single liability measured at fair value in accordance with ASC 825-10. At September 30, 2026 and 2025, the Company valued the 2024 Convertible Note using the Monte-Carlo valuation model. See Note 2.

In June 2025, the outstanding principal and interest of the 2024 Convertible Note was converted into 2,538,939 shares of the Company's common stock, settling in full the Company's repayment obligations related to that note. Immediately prior to the conversions, the Company remeasured the liability to its fair value as of the conversion date. The Company recognized a loss of $626 thousand related to the change in the fair value of the 2024 Convertible Note recorded in Loss from change in fair value of financial instruments on the consolidated statements of operations for the twelve months ended December 31, 2025, respectively.

Unsecured convertible note due June 2026 - Second Tranche Note

In June 2025, the Company issued a second convertible note (the "Second Tranche Note") in accordance with the terms of the 2024 Securities Purchase Agreement in the principal amount of $1.5 million, for a purchase price of $1.4 million, representing an original issue discount of ten percent, which was scheduled to mature on June 13, 2026. The Second Tranche Note was recorded at a fair value of $1.4 million. The Company recorded a loss of $124 thousand on the change in fair value of the Second Tranche Note in the three months ended June 30, 2025.

In July 2025, $1.1 million of the outstanding principal and accrued interest of the Second Tranche Note was converted into 988,240 shares of the Company's common stock. Immediately prior to the conversions, the Company remeasured the liability to its fair value as of the conversion date. The Company recorded a loss of $6 thousand related to the change in fair value as of the conversion date. In August 2025, the remaining $0.4 million of the outstanding principal and accrued interest of the Second Tranche Note was converted into 344,242 shares of the Company's common stock. Immediately prior to the conversion, the Company remeasured the liability to its fair value at the conversion date. The Company recorded a loss of $12 thousand related to the change in fair value as of the conversion date. The Company recorded a loss of $142 thousand for the twelve months ended December 31, 2025.

Unsecured convertible note due July 2026 - Third Tranche Note

In July 2025, the Company issued a third convertible note, (the "Third Tranche Note"), in accordance with the terms of the 2024 Securities Purchase Agreement, in the principal amount of $3.0 million, for a purchase price of $2.7 million, representing an original issue discount of ten percent, which was scheduled to mature on July 21, 2026. The Third Tranche Note was recorded at an initial fair value of $2.9 million. The Company recorded a loss of $449 thousand on the change in fair value of the Third Tranche Note in the twelve months ended December 31, 2025.

In the first quarter of 2026, $2.8 million of the outstanding principal and accrued interest of the Third Tranche Note was converted into 8,677,847 shares of the Company's common stock. Immediately prior to the conversions, the Company remeasured the liability to its fair value as of the conversion date. The Company recorded a loss of $29 thousand related to the change in fair value as of the conversion dates. The Company recorded a loss of $11 thousand on the change in fair value of the Third Tranche Note in the three months ended March 31, 2026. In April 2026, the remaining $231 thousand of outstanding principal and interest was converted into 1,154,915 shares of the Company's common stock. Immediately prior to the conversion, the Company remeasured the liability to its fair value as of the conversion date. The Company recorded a loss of $3 thousand related to the change in fair value as of the conversion dates in the three months ended June 30, 2026.

Unsecured convertible note due October 2026 - Fourth Tranche Note

In October 2025, the Company issued a fourth convertible note, (the "Fourth Tranche Note") in accordance with the 2024 Securities Purchase Agreement, in the principal amount of $2.2 million, for a purchase price of $2.0 million, representing an original issue discount of ten percent, which was scheduled to mature on October 16, 2026. The Fourth Tranche Note was recorded at an initial fair value of $2.2 million. The Company recorded a loss of $200 thousand on the change in fair value of the Fourth Tranche Note at issuance. In December 2025, $1.2 million of the outstanding principal and accrued interest of the Fourth Tranche Note was converted into 1,604,091 shares of the Company's common stock. Immediately prior to the conversions, the Company remeasured the liability to its fair value as of the conversion date and recorded a gain of $10 thousand related to the change in fair value as of the conversion date. The Company recorded a loss of $272 thousand on the change in fair value for the twelve months ended December 31, 2025. In January 2026, the remaining $1.0 million of outstanding principal and accrued interest was converted into 1,926,618 shares of the Company's common stock. Immediately prior to the conversion, the Company remeasured the liability to its fair value as of the conversion date. The Company recorded a loss of $20 thousand related to the change in fair value as of the conversion date during the nine months ended September 30, 2026.

Unsecured convertible note due September 2027 - Fifth Tranche Note

On September 11, 2026, in connection with the closing of the Alignment Engine Merger and the execution of the Waiver Agreement, the Company issued a senior unsecured convertible promissory note in the principal amount of $7.5 million (the "Fifth Tranche Note") to the investor as consideration for the waivers granted under the Waiver Agreement, which the Company's board of directors valued at $7.5 million. The Company did not receive cash proceeds from the issuance of the Fifth Tranche Note. The Fifth Tranche Note matures on September 11, 2027, subject to extension at the option of the holder. Under the Waiver Agreement, the holder waived, among other rights, the accrual of interest, its right to receive principal and interest in cash and monthly payments under the Fifth Tranche Note. The Fifth Tranche Note is convertible into shares of the Company's common stock at a conversion price of $0.10 per share. The Company agreed to register the resale of the shares issuable upon conversion of the Fifth Tranche Note and to reimburse $50 thousand of the investor's legal fees.

The Company elected to account for the Fifth Tranche Note at fair value under ASC 825-10, consistent with the other convertible notes issued under the 2024 Securities Purchase Agreement. The Fifth Tranche Note was recorded at an initial fair value of $15.8 million. Because the Company received no cash proceeds, the initial fair value was recognized as expense related to the waivers obtained under the Waiver Agreement and is included in gain (loss) from change in fair value of financial instruments in the consolidated statements of operations. As of September 30, 2026, the fair value of the Fifth Tranche Note was $25.1 million, and the Company recognized a loss of $9.3 million on the change in fair value of the Fifth Tranche Note during the three and nine months ended September 30, 2026. The Fifth Tranche Note matures within twelve months and is classified as a current liability. As of September 30, 2026, the fair value of the Fifth Tranche Note exceeded its unpaid principal of $7.5 million by $17.6 million.

Notes payable assumed in the Alignment Engine Merger

In connection with the Alignment Engine Merger, the Company assumed unsecured promissory notes that Alignment Engine issued on August 21, 2026 to four of its stockholders (the "Bridge Notes"), with an aggregate principal amount of $6.3 million, for which Alignment Engine received cash of $4.75 million. The Bridge Notes bear interest at 8% per annum and became due upon the closing of the Alignment Engine Merger on September 11, 2026. The Bridge Notes had not been repaid as of September 30, 2026, and were in default. Nonpayment within ten days of the due date is an event of default, upon which the holders may declare 125% of the principal plus accrued interest due. The Bridge Notes are not convertible and are classified as current liabilities, due to related parties, in the consolidated balance sheets. On November 10, 2026, the Bridge Notes were amended, effective September 11, 2026, to extend their maturity and to waive the event of default (see Note 17).

Alignment Engine's other convertible notes, with principal of $14.5 million and accrued interest of $7.5 million, were converted into Volato Series A Preferred stock as part of the Alignment Engine Merger.

Accrued interest on the Bridge Notes of $59 thousand is included in accounts payable and accrued liabilities.

NOTE 10 – CREDIT FACILITY AND OTHER LOANS

SAC Leasing G280 LLC Line of credit

The Company entered into the pre-delivery payment agreement on October 5, 2022, with SAC Leasing G280 LLC to obtain loans in the aggregate amount of $40.5 million for the purchase of four (4) Gulfstream G280 aircraft that were delivered in 2024 and 2025. The maturity date of amounts drawn under the SAC Leasing G280 LLC credit facility was the earlier of the delivery date of the aircraft or September 14, 2025, which is thirty-five (35) months from the date of funding. The purchase agreement contracts were assigned to SAC G280 Leasing LLC as collateral on this credit facility.

During the year ended December 31, 2022, the Company executed a series of purchase agreements with Gulfstream Aerospace, LP for the acquisition of four (4) Gulfstream G280 aircraft for total consideration of $79.0 million with expected deliveries in 2024 and 2025, of which an aggregate amount of $48.0 million was funded and paid as of December 31, 2024, partially through a credit facility from SAC Leasing G280 LLC. During the year ended December 31, 2024, the Company funded an additional $9.0 million through the SAC Leasing G280 LLC credit facility.

During the nine months ended September 30, 2025, the Company decreased its SAC leasing G280 LLC line of credit by $28.0 million through a combination of a repayment in the amount of $10.5 million, with the sale of the second G280 in February 2025 and the deposit release and corresponding pay down of the G280 line of credit of $9.0 million with the delay of the fourth G280 until Q4 2025. In April 2025, the Company repaid the remaining $8.5 million, terminating the credit facility with SAC Leasing G280 LLC. The line of credit balance was zero as of December 31, 2025.

During the three months ended September 30, 2026 and 2025, the Company amortized to interest expense zero and zero of debt discount, respectively. During the nine months ended September 30, 2026 and 2025, the Company amortized to interest expense zero and $247 thousand of debt discount, respectively.

During the three months ended September 30, 2026 and 2025, the Company incurred zero of interest. During the nine months ended September 30, 2026 and 2025, the Company incurred zero and $641 thousand of interest, respectively.

OgaraJets

In connection with the purchase and sale of the second G280, the Company entered into a financing agreement with OgaraJets. The Company borrowed $19.6 million from OgaraJets to facilitate the delivery and subsequent sale of the second G280. Upon the sale of the second G280, in February 2025, $19.7 million was repaid to OgaraJets. All transactions occurred during the first quarter of 2025.

In connection with the purchase and sale of the third G280, the Company entered into a financing agreement with OgaraJets. The Company borrowed $17.9 million from OgaraJets to facilitate the delivery and subsequent sale of the third G280. Upon the sale of the third G280 in June 2025, $17.9 million was repaid to OgaraJets. All transactions occurred during the second quarter of 2025.

In connection with the purchase and sale of the fourth G280, the Company entered into a financing agreement with Ogara Jets. The Company borrowed $18.4 million from OgaraJets to facilitate the delivery and subsequent sale of the fourth G280. Upon the sale of the fourth G280, in December 2025, $18.4 million was repaid to Ogara Jets. All transactions occurred during the fourth quarter of 2025.

NOTE 11 – RELATED PARTIES

Liotta Family Office, LLC (“LFO”) is owned 20% by Matthew Liotta, who served as the Company’s Chief Executive Officer until September 11, 2026, 60% by his father and 20% by his brother. LFO currently owns 74,372 shares of the Company’s issued and outstanding common stock, which represents less than 1% of the Company’s issued and outstanding common stock as of September 30, 2026.

Jennifer R. Liotta, Matthew Liotta’s spouse, is employed by the Company. Her compensation was $50 thousand and $150 thousand for the three and nine months ended September 30, 2026, respectively, and she received $87 thousand of consulting fees during the year ended December 31, 2025.

The holders of the Bridge Notes assumed in the Alignment Engine Merger (see Note 9) are stockholders of Alignment Engine who received Preferred Stock in the Alignment Engine Merger and are related parties of the Company. The Bridge Notes, with an aggregate principal amount of $6.3 million, and accrued interest of $59 thousand were outstanding and in default as of September 30, 2026. In November 2026, the Bridge Notes were amended to extend their maturity and waive the default (see Note 9 and Note 17). The Bridge Notes are presented as bridge notes payable – related parties in the consolidated balance sheets.

NOTE 12 – INCOME TAXES

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that would impact the consolidated financial statements or related disclosures.

The effective tax rate was 0.5% and 0.4% for the three and nine months ended September 30, 2026, respectively. The effective tax rate was 4.0% and 2.5% for the three and nine months ended September 30, 2025, respectively. The effective tax rate for the three and nine months ended September 30, 2026 differs from the federal statutory rate of 21% primarily because of the valuation allowance against the Company’s deferred tax assets and the non-deductible losses on the Fifth Tranche Note and the change in fair value of the warrant liability. The income tax benefit for the three and nine months ended September 30, 2026 primarily reflects the reversal of deferred tax liabilities as the intangible assets acquired in the Alignment Engine Merger are amortized.

In connection with the Alignment Engine Merger, the Company recorded a net deferred tax liability of $16.8 million, primarily for the difference between the fair value and the tax basis of the acquired intangible assets, which increased goodwill (see Note 3). The net deferred tax liability reflects a full valuation allowance against Alignment Engine's net operating loss carryforwards. The Company files a consolidated U.S. federal income tax return and continues to maintain a valuation allowance against its deferred tax assets that are not more likely than not to be realized. The accounting for income taxes in the Alignment Engine Merger is provisional and may change as the Company completes its analysis, including of any limitation on the use of net operating loss carryforwards under Section 382 of the Internal Revenue Code.

During the three and nine months ended September 30, 2026, the Company recognized $0.3 million of interest, included in interest income (expense), net, and $0.2 million of penalties, included in selling, general and administrative expenses, related to income taxes payable for prior years.

NOTE 13 – SHAREHOLDERS' EQUITY (DEFICIT)

On February 24, 2025, the Company effected the Reverse Stock Split described elsewhere in this Quarterly Report. All share amounts have been retroactively adjusted to account for the Reverse Stock Split as if it occurred at inception. The Reverse Stock Split did not have an effect on the number of authorized shares of common stock.

Common stock at the market sales agreement

On December 5, 2025, the Company entered into an ATM Sales Agreement with Virtu Americas LLC ("Virtu") pursuant to which Virtu acted as the Company's sole sales agent or principal with respect to the offer and sale from time-to-time of shares of the Company's Class A Common Stock, par value $0.0001 per share, having an aggregate gross sales price of an aggregate of up to $9.3 million. The Company issued 436,757 shares of common stock for proceeds of $463 thousand in the twelve months ended December 31, 2025.

On March 19, 2026, the Company delivered a notice of termination to Virtu terminating the ATM Sales Agreement as of March 22, 2026.

On March 27, 2026, the Company entered into an ATM Sales Agreement with Curvature Securities, LLC ("Curvature") pursuant to which Curvature will act as the Company's sole sales agent or principal with respect to the offer and sale from time-to-time of shares of the Company's Class A Common Stock, par value $0.0001 per share, having an aggregate gross sales price of an aggregate of up to $3,700,000. The Company issued 12,155,500 shares of common stock for gross proceeds of $3.6 million in the nine months ended September 30, 2026 under this ATM Sales Agreement. The Company does not currently expect to be able to utilize this ATM program for the remainder of 2026 due to limitations imposed under SEC rules.

Security offerings

On June 7, 2026, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") for the sale by the Company of 6,500,000 shares of the Company's Class A common stock. The Company received gross proceeds of $2.2 million from the offering. As part of the Purchase Agreement, the Company transferred 451,901 shares of FlyExclusive, Inc. common stock, held by the Company. The company recorded a loss of $54 thousand as part of the share transfer.

On June 28, 2026, the Company entered into a securities purchase agreement, dated June 27, 2026, for the sale by the Company of an aggregate of 11,038,767 shares of the Company's Class A common stock. The Company received gross proceeds of approximately $1.82 million. The remaining $0.2 million of proceeds, which was recorded as an equity contribution receivable as of June 30, 2026, was collected during the three months ended September 30, 2026.

On September 11, 2026, the Company entered into an ordinary course agreement for public relations services and, on September 30, 2026, issued 600,000 restricted shares of common stock as partial consideration under that agreement. The shares were valued at $0.19 per share, or $114 thousand, which was recorded in prepaid expenses and is recognized in selling, general and administrative expenses over the service period. The Company recognized $13 thousand of expense during the three and nine months ended September 30, 2026, and $101 thousand remained in prepaid expenses as of September 30, 2026.

Preferred Stock

On September 11, 2026, in connection with the Alignment Engine Merger, the Company filed Certificates of Designations with the Secretary of State of the State of Delaware designating the Series A Convertible Preferred Stock and the Series A-1 Convertible Preferred Stock, and issued 79,078 shares of Series A Preferred Stock and 316,312 shares of Series A-1 Preferred Stock as merger consideration (see Note 3). As of September 30, 2026, 79,078 shares of Series A Preferred Stock and 316,312 shares of Series A-1 Preferred Stock were issued and outstanding. No shares of preferred stock were issued or outstanding as of December 31, 2025.

Each share of Preferred Stock has a stated value of $641.5267 and is convertible into shares of the Company's common stock at a conversion price of $0.1537 per share, subject to (i) the approval by the NYSE American of the listing of the combined company, (ii) stockholder approval of the conversion of the Preferred Stock and (iii) the effectiveness of an amendment to the Company's certificate of incorporation to increase the number of authorized shares of common stock. Conversion is subject to a 4.99% beneficial ownership limitation, which may be increased to no more than 9.99%. The Preferred Stock has no voting rights except as required by Delaware law, is entitled to dividends on an as-converted basis and ranks senior to the Company's common stock upon liquidation.

The Preferred Stock is classified within permanent equity in the consolidated balance sheet as of September 30, 2026 at its par value, and the $111.8 million excess of its fair value as of the Closing Date over par value is included in additional paid-in capital (see Note 3).

Stock Options - Equity Incentive Plans

Summary of the 2025 Plan

The 2025 Stock Incentive Plan (the "2025 Plan") was approved at the Company's 2025 annual meeting of stockholders on July 21, 2025. The 2025 Plan provides for the grant of stock options (both incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock, restricted stock units, performance-based awards, and other stock- and cash-based awards. The Company has reserved a pool of shares of common stock for issuance pursuant to awards under the 2025 Plan equal to 415,584 shares. As of September 30, 2026 the Company had 39,060 shares available for issuance under the 2025 Plan.

Summary of the 2023 Plan

The 2023 Stock Incentive Plan (the "2023 Plan") was approved at a special meeting of the Company's stockholders on November 28, 2023. The 2023 Plan provides for the grant of stock options (both incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock, restricted stock units, performance-based awards, and other stock- and cash-based awards. The Company has reserved a pool of shares of common stock for issuance pursuant to awards under the 2023 Plan equal to 224,348 shares. As of September 30, 2026 the Company had 23,005 shares available for issuance under the 2023 Plan.

Stock option activity for the periods presented is as follows:

	Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (years)
Outstanding as of December 31, 2025	17,703	$ 4.69	7.5
Granted	—	—	
Replacement options issued in the Alignment Engine Merger	185,610,124	0.06	
Cancelled	(1,194)	12.29	
Exercised	—	—	
Outstanding as of September 30, 2026	185,626,633	$ 0.07	8.8
Vested as of September 30, 2026 (1)	175,314,681	$ 0.07	9.0

(1) Includes 175,298,786 replacement options that are vested but are not exercisable until stockholder approval is obtained, and 15,895 exercisable options under the Company's legacy plans.

In connection with the Alignment Engine Merger, the Company issued options to purchase 185,610,124 shares of common stock in exchange for outstanding Alignment Engine options, at exercise prices of $0.0193 to $2.3463 per share. Each Alignment Engine option was converted at the exchange ratio of 1.5540 Company shares per Alignment Engine share, and its exercise price was divided by the same ratio, so the aggregate exercise price of each option is unchanged. The replacement options keep their original vesting schedules and expiration dates, which run to August 2036, and are not exercisable until the Company's stockholders approve the share issuance. As of September 30, 2026, 10,311,339 replacement options were unvested, of which 612,599 vest monthly through March 1, 2027 and 9,698,740 vest when Alignment Engine achieves $2.5 million of EBITDA. The Company has determined that achievement of this milestone was not probable as of September 30, 2026. The fair value of the replacement options was estimated at the Closing Date using the Black-Scholes option pricing model with a common stock value of $0.05 per share, expected volatility of 72.1% to 114.7%, risk-free interest rates of 4.04% to 4.71%, expected terms of 0.4 to 5.6 years and no expected dividends. The fair value of the replacement options attributable to pre-combination service, $5.3 million, was included in the purchase consideration (see Note 3). The fair value of the milestone options, $0.3 million, is attributable to post-combination service and will be recognized as compensation expense when achievement of the milestone becomes probable.

The Black-Scholes option pricing model is used by the Company to determine the weighted-average fair value of share-based payments. The Company recognizes forfeitures as they occur. Other than the replacement options issued in the Alignment Engine Merger (see Note 3), there were no stock options granted in the three and nine months ended September 30, 2026 or 2025.

Restricted Stock

Restricted stock unit activity for the period presented is as follows:

	Restricted Stock Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2025	10,964	$ 18.75
Granted	70,000	0.26
Vested	(70,000)	0.26
Forfeited	—	—
Outstanding as of September 30, 2026	10,964	$ 18.75

Stock based compensation expense was $25 thousand and $1 thousand for the three months ended September 30, 2026 and 2025, respectively, including $25 thousand for the replacement options issued in the Alignment Engine Merger in 2026. Stock based compensation expense was $55 thousand and $604 thousand for the nine months ended September 30, 2026 and 2025, respectively. As of September 30, 2026 the unrecognized compensation costs related to non-vested time-based awards was $58 thousand and is expected to be recognized over a weighted average period of 0.5 years. Unrecognized compensation cost of $0.3 million related to the performance-based replacement options will be recognized when achievement of the milestone becomes probable.

Warrants

As of September 30, 2026, there were 552,000 public warrants, 609,195 private placement warrants, and 105 replacement warrants issued and outstanding, each as further described below. In addition, warrants to purchase 1,257,122,420 shares of Class A common stock issued in exchange for Alignment Engine warrants in the Alignment Engine Merger were outstanding, as described below.

Private placement warrants

The Company has 609,195 private placement warrants outstanding. Each private placement warrant is exercisable for one whole share of Class A common stock at a price of $287.50 per share. Such private placement warrants are exercisable for cash or on a cashless basis, at the holder's option, and are not redeemable by the Company. The private placement warrants are all exercisable as of September 30, 2026. There was no activity during the three and nine months ended September 30, 2026.

Public warrants

Pursuant to the initial public offering ("IPO") by Proof Acquisition Corp I ("PACI") in 2021, the Company sold 1,104,000 units at a price of $250.00 per unit. Each unit consisted of one share of Class A common stock and one-half of one redeemable warrant. Each whole public warrant entitles the holder to purchase one share of Class A common stock at a price of $287.50 per share, subject to adjustment. A majority of the shares were redeemed before the December 2023 merger transaction, but the warrants remain. As a result, there are 552,000 public warrants outstanding as of September 30, 2026.

The public warrants became exercisable on the later of (a) 30 days after the completion of a business combination and (b) 12 months from the closing of the IPO. The public warrants expire five years after the completion of a business combination or earlier upon redemption or liquidation. The public and private warrants expire on December 1, 2028. The public warrants are all exercisable as of September 30, 2026. There was no activity during the three and nine months ended September 30, 2026.

Replacement warrants issued in the Alignment Engine Merger

In connection with the Alignment Engine Merger, the Company issued 105 warrants to purchase an aggregate of 1,257,445,985 shares of Class A common stock in exchange for outstanding Alignment Engine common stock and Alignment Engine Series B-2 preferred warrants. Each warrant was converted at the exchange ratio, and its exercise price was divided by the same ratio, so the aggregate exercise price is unchanged. The replacement warrants have no vesting conditions, are exercisable for cash or on a cashless basis, and expire on the original Alignment Engine expiration dates. They are not exercisable until the Company's stockholders approve the share issuance and the NYSE American approves the listing of the combined company. The exercise price is subject to full-ratchet adjustment for issuances of common stock at a lower price, other than excluded issuances. The fair value of the replacement warrants of $67.4 million was included in the purchase consideration and recorded as a warrant liability (see Note 3). The replacement warrants are classified as liabilities under ASC 815-40 because they are not indexed to the Company's own stock as a result of the full-ratchet adjustment, and the Company did not have sufficient authorized shares to settle them before stockholders approve an increase in authorized shares. The warrant liability is measured at fair value at each reporting date, with changes in fair value recognized in the consolidated statements of operations. The fair value of the warrant liability was $72.0 million at September 30, 2026, and the Company recognized a loss of $4.7 million from the change in its fair value for the period from the Closing Date to September 30, 2026 (see Note 2). Warrants to purchase 323,565 shares at $4.79 per share expired unexercised in September 2026. Replacement warrants outstanding at September 30, 2026 consisted of warrants to purchase 1,233,846,500 shares at $0.0193 per share expiring from February 2030 to May 2033, 5,344,447 shares at $0.4183 per share and 17,931,472 shares at $0.8366 per share, both expiring in August 2029, for a total of 1,257,122,420 shares with a weighted average exercise price of $0.03 per share and a weighted average remaining contractual term of 4.8 years.

NOTE 14 – COMMITMENT AND CONTINGENCIES

Facilities

Our facilities leases are for space at airports throughout the south with remaining terms ranging from one to eleven months. These leases consist of office space. The leases have lease terms of 12 months or less. Accordingly, the Company has not recognized ROU assets or lease liabilities related to these lease agreements pursuant to the short-term lease election. The Company has made a policy election to not separate lease and non-lease components for these facility leases. Short term lease costs related to these leases were zero and $3 thousand for the nine months ended September 30, 2026 and 2025, respectively.

In January 2024, the Company began leasing space for aircraft with a term of 5 years with fixed lease payments. The Company recognized an operating lease liability in the amount of the net present value of the future minimum lease payments, and a ROU asset. The discount rate used for this lease was 12%, which was determined to be the incremental borrowing rate based on comparative secured financing in the marketplace at the inception of the fixed lease payments.

In connection with the Alignment Engine Merger, the Company assumed Alignment Engine's operating lease of approximately 51,818 square feet of office space in North Canton, Ohio, which was assigned to Alignment Engine in February 2022. The lease expires on August 31, 2030, has fixed monthly payments of $54 thousand with no escalation, and includes an option to renew for 60 months, which is not included in the lease term because its exercise is not reasonably certain. The lease liability was remeasured as of the Closing Date using a discount rate of 13%. As of September 30, 2026, the remaining lease term was 3.9 years, and the right-of-use asset and lease liability related to this lease were $2.6 million and $2.0 million, respectively, of which $0.4 million of the lease liability is current. The right-of-use asset includes $0.6 million recognized in purchase accounting for the favorable terms of the lease compared with market terms. Operating lease cost of Alignment Engine from the Closing Date through September 30, 2026 was $38 thousand.

Maturities of the Company's operating lease liabilities as of September 30, 2026 were as follows (in thousands):

	Amount
Remainder of 2026	$ 176
2027	704
2028	685
2029	648
2030	432
Total lease payments	2,645
Less: imputed interest	(557)
Present value of lease liabilities	2,088
Less: current portion	(429)
Lease liabilities, non-current	$ 1,659

In addition, on August 25, 2026, Alignment Engine entered into a lease for approximately 197,449 rentable square feet of industrial space in Chillicothe, Ohio for its data center operations. The lease had not commenced as of September 30, 2026 or as of the date these condensed consolidated financial statements were issued, because the landlord had not yet made the facility available for Alignment Engine's use, so no right-of-use asset or lease liability has been recognized. Commencement is expected upon substantial completion of the landlord's work. The Company expects to classify the lease as a finance lease. The lease has an initial term of ten years from commencement, with two options to extend the term for five years each. Base rent is $30.00 per kilowatt of power allocated and energized for Alignment Engine's use per month, on a triple-net basis, and increases by 2.5% annually. Power to the facility is scheduled to increase from 25,000 kilowatts at commencement to 49,000 kilowatts by February 15, 2027 and 62,000 kilowatts by August 15, 2027, which would increase monthly base rent from approximately $0.75 million to $1.9 million. Prepaid rent of $4.8 million, paid before commencement and applied to base rent for the first six months of the term, is included in prepaid expenses and other current assets and will be included in the right-of-use asset at commencement. The lease also required Alignment Engine to pay the landlord a security deposit of $2.5 million following the closing of the Alignment Engine Merger. The security deposit was paid on October 1, 2026 and is included in deposits, non-current, with the related obligation in accounts payable and accrued liabilities, as of September 30, 2026. The lease also requires Alignment Engine to pay reservation fees of $80.0 million for up to 400 megawatts of additional power, 75% of which will be credited against base rent after the associated power is energized. The lease also requires the Company to issue the landlord a warrant to purchase shares of common stock equal to 1.5% of the Company's fully diluted common equity at an exercise price of $0.0001 per share. The reservation fees and the fair value of the warrant will be included in the right-of-use asset, and the warrant will be classified as a liability when issued. Alignment Engine has an option to purchase the property at fair market value during a six-month period beginning on the earlier of the delivery of 100 megawatts of capacity or June 30, 2027.

Purchase Commitments

As of September 30, 2026, Alignment Engine had open purchase orders for GPU servers, data center equipment and construction for its Ohio AI infrastructure campus of approximately $606.0 million, of which $533.9 million related to GPU servers and related racks under a non-cancelable, non-returnable order. These commitments are not recognized in the consolidated balance sheet. See Note 17 for the October 2026 revision of the GPU server order.

Legal Contingencies

From time to time, the Company receives claims of and becomes subject to consumer protection, employment, intellectual property and other commercial litigation related to the conduct and operation of the Company's business. In connection with such litigation, the Company may be subject to significant damages. The Company may also be subject to equitable remedies and penalties. Such litigation could be costly and time consuming and could divert or distract Company management and key personnel from its business operations. The Company is currently the defendant in suits brought by vendors and customers and does not currently believe that any of its outstanding litigation will have a material adverse effect on its financial statements or business. However, due to the uncertainty of litigation and depending on the amount and the timing, an unfavorable resolution of some or all of these matters could materially affect the Company's business, results of operations, financial position, or cash flows.

In the Tampa Division of the U.S. District Court, in and for the Middle District of Florida on September 12, 2024, Joshua G. Newsteder, LouAnn Gray, and those similarly situated (the "Plaintiffs") filed suit against the Volato Group, Inc. and Volato, Inc. (together, the "Defendants") citing various allegations including that the termination of employment of 230 employees that occurred on August 30, 2024 violated requirements of the Worker Adjustment and Retraining Notification Act of 1988, 29 U.S.C. § 2101 et. seq. Plaintiffs are seeking unpaid wages or salary, benefits and other relief deemed by the court as just and proper. The Defendants deny all allegations. In September 2026, a summary judgment was awarded in favor of the Company. The Plaintiffs declined to appeal.

NOTE 15 – SEGMENT INFORMATION

Following the Alignment Engine Merger, the Company reorganized its operations and manages its business through two reportable segments: AI Infrastructure and Aviation AI and Software.

The AI Infrastructure segment develops AI infrastructure, including data center infrastructure, high-density GPU compute, high-performance networking and related technology. The Company is actively constructing an AI infrastructure campus in Ohio. The segment had not commenced revenue-generating operations as of September 30, 2026.

The Aviation AI and Software segment develops AI-powered operational systems for aviation businesses, including the Company's Aviation AI platform and Parslee technology, and operates Vaunt, a technology-enabled private aviation membership platform.

The Company's chief operating decision maker ("CODM") is its Chief Executive Officer. The CODM regularly reviews revenue, gross margin, operating expenses, operating income (loss), EBITDA, assets and liabilities for each reportable segment to assess segment performance and make decisions regarding the allocation of resources.

The Company uses operating income (loss) as its measure of segment profit or loss. The CODM uses segment operating income (loss), together with other financial and operating information, to evaluate the performance of each segment and make resource-allocation decisions.

Corporate expenses that are not directly attributable to a reportable segment and are not allocated to the segments in the information reviewed by the CODM are not included in segment operating income (loss). Such costs are reflected as unallocated corporate expenses in the reconciliation of total reportable segment operating income (loss) to consolidated income (loss) from continuing operations before income taxes. Unallocated corporate expenses consist of the costs of the Company's corporate functions, including executive management, finance and accounting, legal, board of directors, insurance and public company costs, including such costs incurred by Volato, Inc.

The Company's reportable segment structure changed following the Alignment Engine Merger. Prior-period segment information has been recast to conform to the current presentation. Because Alignment Engine was not part of the Company prior to September 11, 2026, comparative segment information does not include the historical results of Alignment Engine. Amounts classified as discontinued operations are excluded from the segment information for all periods presented.

Segment Results

The following tables present financial information for the Company's reportable segments, in thousands. The comparative periods reflect the Company's historical continuing operations recast to conform to the current segment presentation.

Three Months Ended September 30, 2026

	AI Infrastructure	Aviation AI and Software	Total Reportable Segments
Revenue	$ —	$ 1,316	$ 1,316
Cost of revenue	—	(396)	(396)
Gross profit	—	920	920
Amortization of acquired intangibles	(688)	—	(688)
Depreciation and other amortization	(6)	(55)	(61)
Other segment items	(189)	(637)	(826)
Operating income (loss)	**$ (883)**	**$ 228**	**$ (655)**

Three Months Ended September 30, 2025

	AI Infrastructure	Aviation AI and Software	Total Reportable Segments
Revenue	$ —	$ 381	$ 381
Cost of revenue	—	(123)	(123)
Gross profit	—	258	258
Amortization of acquired intangibles	—	—	—
Depreciation and other amortization	—	(37)	(37)
Other segment items	—	(782)	(782)
Operating income (loss)	**$ —**	**$ (561)**	**$ (561)**

Nine Months Ended September 30, 2026

	AI Infrastructure	Aviation AI and Software	Total Reportable Segments
Revenue	$ —	$ 3,283	$ 3,283
Cost of revenue	—	(981)	(981)
Gross profit	—	2,302	2,302
Amortization of acquired intangibles	(688)	—	(688)
Depreciation and other amortization	(6)	(126)	(132)
Other segment items	(189)	(3,213)	(3,402)
Operating loss	**$ (883)**	**$ (1,037)**	**$ (1,920)**

Nine Months Ended September 30, 2025

	AI Infrastructure	Aviation AI and Software	Total Reportable Segments
Revenue	$ —	$ 50,719	$ 50,719
Cost of revenue	—	(42,198)	(42,198)
Gross profit	—	8,521	8,521
Amortization of acquired intangibles	—	—	—
Depreciation and other amortization	—	(134)	(134)
Other segment items	—	(1,864)	(1,864)
Operating income	**$ —**	**$ 6,523**	**$ 6,523**

The CODM is regularly provided with total operating expenses for each reportable segment but is not regularly provided with individual operating expense categories that the Company has determined to be significant. The CODM uses total operating expenses, together with revenue, gross margin, operating income (loss) and other financial information, to assess segment performance and allocate resources.

Other segment items represent expenses included in segment operating income (loss) other than amortization of acquired intangible assets and depreciation and other amortization, which are presented separately. Other segment items primarily consist of compensation and benefits, professional fees, technology costs, sales and marketing expenses and other operating expenses. In addition to the depreciation and amortization presented above, cost of revenue of the Aviation AI and Software segment includes amortization of capitalized website development costs of zero and $24 thousand for the three months ended September 30, 2026 and 2025, respectively, and $40 thousand and $72 thousand for the nine months ended September 30, 2026 and 2025, respectively, and unallocated corporate expenses include depreciation of $2 thousand and $14 thousand for the three months ended September 30, 2026 and 2025, respectively, and $11 thousand and $37 thousand for the nine months ended September 30, 2026 and 2025, respectively.

Reconciliation to Consolidated Continuing Operations

The following table reconciles total reportable segment operating income (loss) to the Company's consolidated income (loss) from continuing operations before income taxes, in thousands:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Total reportable segment operating income (loss)	$ (655)	$ (561)	$ (1,920)	$ 6,523
Unallocated corporate expenses	(2,494)	(2,003)	(6,091)	(5,689)
Consolidated operating income (loss) from continuing operations	(3,149)	(2,564)	(8,011)	834
Interest income (expense), net	(270)	27	(269)	(3,602)
Other income (expense), net	(29,921)	5,140	(29,845)	8,701
Income (loss) from continuing operations before income taxes	**$ (33,340)**	**$ 2,603**	**$ (38,125)**	**$ 5,933**

Segment Assets

The CODM reviews assets by reportable segment. Segment assets consist of assets directly attributable to each reportable segment. Segment assets were as follows, in thousands:

	September 30, 2026
AI Infrastructure	$ 254,171
Aviation AI and Software	9,720
Total reportable segment assets	263,891
Corporate and unallocated assets	—
Consolidated assets of continuing operations	**$ 263,891**

As of September 30, 2026, AI Infrastructure segment assets included approximately $4.3 million of construction in progress, of which $0.3 million is for the headquarters office space and $4.0 million is associated with the development of the Company's Ohio AI infrastructure campus.

NOTE 16 – BASIC AND DILUTED NET INCOME (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted net income (loss) per share attributable to common stockholders (in thousands, except share and per share amounts):

	Three Months Ended September 30		Nine months ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net income (loss) from continuing operations	$ (33,177)	$ 2,331	$ (37,965)	5,374
Add: stock based compensation expense, net of note, net of tax	—	—	—	—
Add: (gain) loss on convertible note, net of tax	—	384	—	—
Net income (loss) attributable to common stockholders from continuing operations, dilutive	(33,177)	2,715	(37,965)	5,374
Net income (loss) from discontinued operations	$ (1)	$ 4,814	$ 102	$ 5,828
Denominator:				
Weighted-average common shares outstanding, basic	53,202,609	5,039,340	34,432,069	4,303,537
Add: options and restricted stock units	—	—	—	—
Add: 2024 Convertible Note and Second Tranche Note on as-converted basis	—	939,422	—	—
Weighted-average shares outstanding, dilutive	53,202,609	5,978,762	34,432,069	4,303,537

The following securities were excluded due to their anti-dilution effect on net income (loss) per share attributable to common stockholders recorded in each of the periods:

	As of September 30,	
	2026	2025
Warrants to purchase common stock	1,161,195	1,161,195
Stock options outstanding	16,509	17,766
Restricted stock units with performance and market conditions	10,964	10,964
Fifth Tranche Note on an as-converted basis	75,000,000	—
Series A and Series A-1 Preferred Stock on an as-converted basis	1,650,313,870	—
Alignment Engine replacement options and warrants	1,442,732,544	—
Total	3,169,235,082	1,189,925

Net loss per share is computed using the two-class method because the Series A and Series A-1 Preferred Stock are participating securities (see Note 2). No losses were allocated to the Preferred Stock for the three and nine months ended September 30, 2026, because its holders are not contractually obligated to share in losses. The shares of common stock issuable upon conversion of the Preferred Stock were excluded from diluted net loss per share because the conversion conditions had not been satisfied as of September 30, 2026.

NOTE 17 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events that occurred after September 30, 2026 through November 23, 2026, the date of these consolidated financial statements were available to be issued, and noted no additional events requiring recognition for disclosure, except as identified below.

On October 12, 2026, Alignment Merger Sub changed its name to Sovereign AI Chillicothe, LLC, and on October 19, 2026, the Company changed its corporate name from “Volato Group, Inc.” to “SOAR AI, Inc.” The name changes did not affect the corporate existence, capital structure or the rights of the security holders of the Company or its subsidiary. The Company’s common stock continues to trade on the NYSE American under the symbol “SOAR”.

On October 8, 2026, the Company entered into a Common Stock Purchase Agreement (the “ELOC Purchase Agreement”) and a Registration Rights Agreement with DFU, LLC (the “ELOC Investor”), pursuant to which the Company may, at its option, sell to the ELOC Investor up to $1.0 billion of the Company’s Class A common stock over a 36-month period commencing on the effectiveness of a registration statement registering the resale of such shares. The Company is under no obligation to sell any shares under the ELOC Purchase Agreement. Sales are made at the Company’s discretion through put notices aggregating no more than $6.0 million per trading day, at prices based on the trading price of the Company’s common stock, subject to a floor price of $0.21 per share, a 4.99% beneficial ownership limitation and, absent stockholder approval, a limit of 19.99% of the Company’s outstanding common stock.

As consideration for the ELOC Investor’s commitment, the Company agreed to issue 3,646,974 shares of common stock and 13,058 shares of newly designated Series B Convertible Preferred Stock (together, the “Commitment Securities”). On October 9, 2026, the Company filed a Certificate of Designation for the Series B Convertible Preferred Stock with the Secretary of State of the State of Delaware. Each share of Series B Convertible Preferred Stock is convertible into 4,329 shares of common stock, or 56,528,082 shares of common stock in the aggregate, subject to adjustment and a 4.99% beneficial ownership limitation, following stockholder approval and the effectiveness of an amendment to the Company’s certificate of incorporation increasing the number of authorized shares of common stock. The Series B Convertible Preferred Stock ranks senior to the common stock and junior to the Series A Preferred Stock and Series A-1 Preferred Stock, participates in dividends on an as-converted basis and has no voting rights prior to stockholder approval, except as required by law.

On October 13, 2026, Alignment Engine entered into a construction manager agreement with CK Construction Group, Inc. for its Ohio AI infrastructure campus. Compensation is based on the cost of the work plus a fee, with guaranteed maximum prices to be set for each phase, and Alignment Engine paid a $2.5 million advance under the agreement in October 2026. On October 21, 2026, Alignment Engine revised its purchase order for GPU servers and related racks, reducing the number of servers from 1,152 to 512 and the order total from approximately $533.9 million to $255.5 million (see Note 14). From October 1, 2026 through November 2, 2026, Alignment Engine issued additional purchase orders for data center equipment and materials of approximately $5.4 million.

On November 10, 2026, the Company and the holders of the required principal amount of the Bridge Notes (see Note 9) entered into an amendment, effective as of September 11, 2026, that extends the maturity of the Bridge Notes to the earlier of the initial closing of a private placement by the Company of at least $50.0 million of its equity or debt securities and March 31, 2027, and waives the event of default that resulted from the failure to repay the Bridge Notes at the closing of the Alignment Engine Merger. As consideration for the extension, the holders will receive at maturity, in addition to principal and accrued interest, an amount equal to 25% of the principal of the Bridge Notes, or approximately $1.6 million, and may elect to convert all or a portion of the amount due into the securities issued in such a private placement on the same terms as the other investors.

On November 4, 2026, Parslee, LLC (“Parslee”) and its parent, Vaunt, Inc., both subsidiaries of the Company, entered into a series of agreements with Mayline Venture Holdings, Inc. (“Mayline”), of which Nicholas Cooper, a member of the Company’s board of directors, is President and the holder of 30% of its planned capitalization. Under the agreements, Parslee and Vaunt, Inc. convey to Mayline an undivided joint ownership interest in specified Parslee source code, after which each party develops its own copy independently, in exchange for 1,000,000 shares of Mayline common stock, representing 10% of Mayline’s planned capitalization, with no cash consideration or royalty. Parslee also purchased a $100,000 discount-only simple agreement for future equity (“SAFE”) issued by Mayline and agreed to host Mayline’s software deployment and provide transition services for up to six months, bearing up to $15,000 of the related costs. Mr. Cooper also confirmed the assignment to Parslee of code he previously contributed to Parslee’s repositories.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes. This discussion contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us described in "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2025 and in Part II, Item 1A of this Quarterly Report and elsewhere in this Quarterly Report. Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section to "we," "us," "our," and "the Company" are intended to mean the business and operations of SOAR AI, Inc. (formerly known as Volato Group, Inc.).

Overview of Our Business

SOAR AI, Inc. (formerly known as Volato Group, Inc.) is an AI infrastructure and software company focused primarily on the development and operation of AI infrastructure and AI-powered software solutions. Following the completion of the Alignment Engine Merger on September 11, 2026, our principal growth strategy is focused on the development and operation of AI infrastructure, including powered data center capacity, high-density GPU compute, high-performance networking and related infrastructure and technology. We are actively constructing an AI infrastructure campus in Ohio, the initial phase of which is designed around AMD GPU infrastructure, and we expect to develop the campus in phases based on contracted customer demand, power availability, financing and other development requirements.

We also develop AI-powered operational systems for aviation businesses. These solutions are built on Parslee, our AI platform designed to execute and automate complex workflows using business-specific context, shared memory and human oversight, and which provides the technology foundation for our Aviation AI platform addressing quoting, dispatch, customer service, maintenance and back-office processes. We also operate Vaunt, a technology-enabled private aviation membership platform that connects members with available private aviation flight opportunities and provides participating operators with a distribution channel to monetize otherwise unused flight capacity.

In September 2024, we announced an agreement with flyExclusive, Inc. ("flyExclusive") to transition the management of our aircraft ownership program fleet operations to flyExclusive. This move was intended to provide substantial cost savings to the Company and allow us to focus on high-growth proprietary software sales.

In 2025, the Company announced a stock dividend of shares of flyExclusive stock to the Company's stockholders of record as of December 26, 2025. The dividend was effected in January 2026.

On March 6, 2026, the Company signed amendment number five to the Agreement with flyExclusive, pursuant to which the Company sold certain unused intellectual property assets for $1.3 million payable in cash or shares of flyExclusive's Class A common stock. Such assets represent a portion of the total assets which were anticipated to be sold under one of the Asset Options as described above. Following the sale of the intellectual property assets pursuant to the fifth amendment, there is $700,000 in remaining assets that may be sold to flyExclusive under the terms of the Agreement, as amended.

On June 7, 2026, the Company entered into the Purchase Agreement for the sale by the Company of 6,500,000 shares of the Company's common stock. The Company received gross proceeds of $2.2 million from the offering. Under the Purchase Agreement the Company also divested its 451,901 shares of flyExclusive Class A common stock the Company had acquired under amendment number five to the Aircraft Management Services Agreement in March 2026.

On June 28, 2026, the Company entered into a securities purchase agreement, dated June 27, 2026, for the sale by the Company of an aggregate of 11,038,767 shares of the Company's Class A common stock. The Company received gross proceeds of $1.82 million.

On September 11, 2026, the Company completed the Alignment Engine Merger, pursuant to which Alignment Engine merged with and into Alignment Merger Sub, with Alignment Merger Sub surviving the merger as a wholly owned subsidiary of the Company. Following the Alignment Engine Merger, the Company's principal growth strategy is focused on the development and operation of AI infrastructure.

In connection with the closing of the Alignment Engine Merger, Matthew Liotta resigned as the Company's Chief Executive Officer, and Christopher Ensey, the Chief Executive Officer of Alignment Engine, was appointed as the Company's Chief Executive Officer and as a member of the Company's board of directors.

In September 2026, the Company, through Alignment Engine, entered into a master services agreement and two four-year, take-or-pay orders with a large AI customer for dedicated GPU infrastructure. The initial deployment will utilize AMD MI355X GPUs and has a contractual start date of December 31, 2026, and the second deployment will utilize AMD MI455X GPUs and has a contractual start date of June 30, 2027. The two orders have an aggregate contract value of approximately $1.17 billion and provide for contractual customer prepayments.

On October 12, 2026, Alignment Merger Sub changed its name to Sovereign AI Chillicothe, LLC, and on October 19, 2026, the Company changed its corporate name from "Volato Group, Inc". to "SOAR AI, Inc." The Company's common stock continues to trade on the NYSE American under the symbol "SOAR".

Key Factors Affecting Results of Operations

We believe that the below key factors have affected our financial condition and results of operations and may continue to have a significant effect.

AI Infrastructure Development

We expect the development of our AI infrastructure business, including the construction of our Ohio AI infrastructure campus and the deployment of GPU infrastructure under our customer orders, to require substantial capital expenditures. We intend to finance this development through a combination of customer prepayments, debt financing, equity or equity-linked financing and other sources of capital. Our ability to complete these deployments on schedule will depend on, among other things, the availability of financing, power, equipment and construction resources.

Airplane Sales

During 2025, we took delivery of three Gulfstream G280 aircraft, which were delivered and sold to third parties. We have not taken, and do not expect to take, delivery of additional aircraft in 2026.

Costs and Expense Management

In 2022 and 2023, we invested in the core business systems, processes and people required to operate a, publicly traded private aviation company. In September 2024, we entered into an agreement with flyExclusive to transition our fleet operations to flyExclusive. This move resulted in substantial cost savings and provided us with the opportunity to focus on what we believe to be our high-growth areas, including aircraft sales and proprietary software. We benefited from the margins on aircraft sales without the burden of operational costs, while also generating revenue from our proprietary software, including the Vaunt platform, our empty leg consumer app.

Economic Conditions

The private aviation industry is volatile and affected by economic cycles and trends. Our financial performance is susceptible to economically driven changes in demand for our Vaunt platform. Historically, our cost structure and private aviation demand levels had been greatly impacted by the price of jet fuel, pilot salaries and availability, changes in government regulations, consumer confidence, safety concerns, and other factors.

Results of Operations

Comparison of three and nine months ended September 30, 2026 and 2025

The following table sets forth our results of operations for the three and nine months ended September 30, 2026 and 2025 (in thousands, except percentages):

	Three Months Ended September 30,		Change In		Nine months ended September 30,		Change In	
	2026	2025	$	%	2026	2025	$	%
Revenue	$ 1,316	$ 381	$ 935	245%	$ 3,283	$ 50,719	$ (47,436)	(94)%
Costs and expenses:								
Cost of revenue	396	123	273	222%	981	42,198	(41,217)	(98)%
Selling, general and administrative	3,381	2,822	559	20%	9,625	7,687	1,938	25%
Amortization of acquired intangible assets	688	—	688	N/M	688	—	688	N/M
Total costs and expenses	**4,465**	**2,945**	**1,520**	**52%**	**11,294**	**49,885**	**(38,591)**	**(77)%**
Operating income (loss)	**(3,149)**	**(2,564)**	**(585)**	**(23)%**	**(8,011)**	**834**	**(8,845)**	**(1061)%**
Other income (expenses):								
Other income, net	(104)	5,679	(5,783)	(102)%	(221)	9,990	(10,211)	(102)%
Gain on sale of asset	—	—	—	N/M	830	—	830	N/M
Gain (Loss) from change in fair value of financial instruments	(29,817)	(539)	(29,278)	(5432)%	(31,413)	(1,289)	(30,124)	(2337)%
Gain from reversal of Investment in M2i	—	—	—	N/M	959	—	959	N/M
Interest income (expense), net	(270)	27	(297)	(1100)%	(269)	(3,602)	3,333	93%
Other income (expenses), net	**(30,191)**	**5,167**	**(35,358)**	**(684)%**	**(30,114)**	**5,099**	**(35,213)**	**(691)%**
Income (loss) before provision (benefit) for income taxes and discontinued operations	**(33,340)**	**2,603**	**(35,943)**	**(1381)%**	**(38,125)**	**5,933**	**(44,058)**	**(743)%**
Provision (benefit) for income taxes	(163)	272	(435)	(160)%	(160)	559	(719)	(129)%
Net income (loss) from continuing operations	**(33,177)**	**2,331**	**(35,508)**	**(1523)%**	**(37,965)**	**5,374**	**(43,339)**	**(806)%**
Net income (loss) from discontinued operations, net of taxes	(1)	4,814	(4,815)	(100)%	102	5,828	(5,726)	(98)%
Net income (loss)	**$ (33,178)**	**$ 7,145**	**$ (40,323)**	**(564)%**	**$ (37,863)**	**$ 11,202**	**$ (49,065)**	**(438)%**

N/M - the percentage change is not meaningful

Revenue

Revenue consists of the following (in thousands, except percentages):

	Three Months Ended September 30,		Change In		Nine months ended September 30,		Change In	
	2026	2025	$	%	2026	2025	$	%
Aircraft sales	$ —	$ —	$ —	N/M	$ —	$ 49,600	$ (49,600)	(100)%
Subscription	1,316	381	935	245%	3,283	1,119	2,164	193%
Total	$ 1,316	$ 381	$ 935	245%	$ 3,283	$ 50,719	$ (47,436)	(94)%

Revenue increased by $0.9 million for the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The increase in revenue was the result of an increase in subscription based revenue of $0.9 million during the three months ended September 30, 2026 compared to the prior year period. The increase in subscription based revenues is attributable to our Vaunt platform.

Revenue decreased by $47.4 million for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The decrease in revenue was the result of a decrease in aircraft sales of $49.6 million, as we did not take delivery of aircraft during 2026, partially offset by an increase in subscription based revenue of $2.2 million during the nine months ended September 30, 2026 compared to the prior year period. The increase in subscription based revenues is attributable to our Vaunt platform.

Cost of Revenue

Cost of revenue comprises expenses tied to the associated revenue streams: aircraft sales and subscription based revenue. Aircraft sales cost of revenue is the purchase price of the aircraft. Subscription cost of revenue includes costs we incur related to our proprietary software, the Vaunt platform.

Cost of revenue consists of the following (in thousands, except percentages):

	Three Months Ended September 30,		Change In		Nine months ended September 30,		Change In	
	2026	2025	$	%	2026	2025	$	%
Aircraft sales	$ —	$ —	$ —	N/M	$ —	$ 41,963	$ (41,963)	(100)%
Subscription	396	123	273	222%	981	235	746	317%
Total	$ 396	$ 123	$ 273	222%	$ 981	$ 42,198	$ (41,217)	(98)%

Cost of revenue increased by $0.3 million for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The increase was a result of higher subscription costs associated with the growth of our Vaunt platform.

Cost of revenue decreased by $41.2 million for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The decrease in cost of revenue was primarily a result of a $42.0 million decrease in aircraft sales cost of revenue, as we took delivery of and sold our second and third Gulfstream G280 aircraft during the nine months ended September 30, 2025 and did not take delivery of any aircraft in 2026.

Selling, general and administrative

Selling, general and administrative expenses increased by $0.6 million to $3.4 million for the three months ended September 30, 2026, compared to $2.8 million for the three months ended September 30, 2025. The increase was primarily due to a $0.4 million accrual for a legal settlement, higher corporate compensation and benefits of $0.4 million, including officer bonuses, $0.2 million of penalties on prior-year income taxes, higher public relations costs of $0.1 million, including $13 thousand of services paid in common stock, and $0.2 million of expenses of Alignment Engine following the Closing Date, including replacement option compensation, partially offset by a $0.5 million reversal of previously accrued federal excise taxes and lower legal and professional fees of $0.2 million.

Selling, general and administrative expenses increased by $1.9 million to $9.6 million for the nine months ended September 30, 2026, compared to $7.7 million for the nine months ended September 30, 2025. The increase was primarily due to accruals for legal settlements of $1.0 million, higher compensation and benefits of $0.8 million, including marketing salaries, director compensation and benefits, higher legal, accounting and other professional fees of $0.5 million, higher marketing and public relations costs of $0.3 million, higher software and technology costs of $0.2 million, higher bank and card processing fees of $0.1 million and higher depreciation of $0.1 million, partially offset by lower stock-based compensation of $0.5 million, lower taxes and licenses of $0.3 million and lower amortization expense of $0.1 million. The nine months ended September 30, 2026 include $0.2 million of expenses of Alignment Engine following the Closing Date.

Amortization of acquired intangible assets

Amortization of acquired intangible assets was $0.7 million for the three and nine months ended September 30, 2026, reflecting the customer relationships and developed technology acquired in the Alignment Engine Merger (see Note 3). There was no comparable expense in 2025. Based on the provisional fair values, we expect amortization of approximately $3.3 million for the remainder of 2026 and approximately $13.2 million a year from 2027 through 2030.

Gain (loss) on change in fair value of financial instruments

For the three months ended September 30, 2026, the loss on the change in fair value of financial instruments of $29.8 million primarily relates to the Fifth Tranche Note, consisting of the $15.8 million initial fair value of the note, which was issued for no cash proceeds, and a $9.3 million loss on the change in its fair value through September 30, 2026 (see Note 9), and a $4.7 million loss on the change in fair value of the replacement warrant liability from the Closing Date to September 30, 2026 (see Note 13).

For the nine months ended September 30, 2026, the loss on the change in fair value of financial instruments relates to non-cash losses of $25.2 million on convertible notes, primarily $25.1 million on the Fifth Tranche Note (see Note 9), $4.7 million on the replacement warrant liability (see Note 13), $1.0 million on the Investment in M2i, $0.3 million related to the fair value of the aviation asset and a $0.2 million loss on the fair value of the Investment in flyExclusive.

Gain from reversal of M2i Investment

Gain from the reversal of M2i Investment consist of the reversal of the original losses booked from the Investment in M2i due to the cancellation of Share Purchase Agreements with two investors.

Gain on sale of asset

Gain on sale of asset, consists of the sale of mission control software to flyExclusive with the fifth amendment to the Agreement on March 6, 2026.

Interest Income (expense), Net

Interest income (expense), net for the three and nine months ended September 30, 2026 primarily consists of $0.3 million of interest on income taxes payable for prior years. Interest income (expense), net for the nine months ended September 30, 2025 primarily consists of interest related to the note receivable and the sale of GC Aviation, Inc. in March 2025.

Interest income (expense), net primarily consists of interest related to our aircraft brokerage and services agreement with OgaraJets LLC and the pre-delivery payment agreement with SAC Leasing G280 LLC as of September 30, 2025.

Provision for Income Taxes

We recorded an income tax benefit of $0.2 million for the three and nine months ended September 30, 2026, compared with income tax expense of $0.3 million and $0.6 million for the three and nine months ended September 30, 2025, respectively. The 2026 benefit primarily reflects the reversal of deferred tax liabilities as the intangible assets acquired in the Alignment Engine Merger are amortized (see Note 12 to the consolidated financial statements).

Liquidity and Capital Resources

Overview

Our principal sources of liquidity have historically consisted of financing activities, including borrowings under our credit facilities, and proceeds from sales of debt and equity securities. We additionally generate revenue through sales subscriptions to our software application. As of September 30, 2026, we had $41.2 million of cash and cash equivalents.

Our primary needs for liquidity are to fund working capital, debt service requirements, general corporate purposes and the development of our AI infrastructure business, which we expect to require substantial capital expenditures. We intend to finance this development through a combination of customer prepayments, debt financing, equity or equity-linked financing and other sources of capital.

We believe the primary factors that could affect our liquidity include, our ability to raise additional funds on favorable terms, the timing and extent of spending on software development and other growth initiatives, our ability to manage our expense, and overall economic conditions. To the extent that our current liquidity is insufficient to fund future activities, we will need to raise additional capital. We may attempt to raise additional capital through the sale of equity securities, through debt financing arrangements, or both. Raising additional capital by issuing equity securities will dilute the ownership of existing stockholders. The occurrence of additional debt financing would result in debt service obligations, and any future instruments governing such debt could provide for operating and financing covenants that could restrict our operations. In the event that additional capital is required from outside sources, we may not be able to raise it on terms acceptable to us or at all.

Except for our 2025 fiscal year, we have historically incurred negative cash flows from operating activities and significant losses from operations. As discussed in Note 2 to the consolidated financial statements, these conditions, together with the substantial capital required to develop our AI infrastructure, raise substantial doubt about our ability to continue as a going concern within one year after the date the consolidated financial statements are issued, and because the financing on which management's plans depend has not been committed, those plans do not alleviate that substantial doubt. There are no assurances, however, that management will be able to raise capital or debt on terms acceptable to the Company. If the Company is unable to obtain sufficient additional capital or debt on terms acceptable to the Company, the Company may be required to reduce the near-term scope of its planned development and operations, which could delay implementation of the Company's business plan and harm its business, financial condition, and operating results.

Cash Flows

The following table summarizes our cash flows for the nine months ended September 30, 2026, and 2025 (in thousands):

	Nine months ended September 30,	
	2026	**2025**
Net cash provided by (used in) operating activities	$ 33,105	$ (2,442)
Net cash used in investing activities	(3,731)	(39)
Net cash provided by financing activities	7,148	2,831
Net increase in cash	$ 36,522	$ 350

Cash Flow from Operating Activities

Net cash provided by operating activities for the nine months ended September 30, 2026 was $33.1 million. The cash inflow from operating activities consisted of our net loss of $37.9 million, non-cash items of $30.4 million, primarily the $25.2 million change in fair value of convertible notes, the $4.7 million change in fair value of the warrant liability and $0.7 million of amortization of acquired intangible assets, partially offset by a $0.2 million deferred income tax benefit, a change in net operating assets and liabilities of $40.4 million and a change in net assets and liabilities for discontinued operations of $0.2 million. The change in net operating assets and liabilities was primarily a result of an increase in deferred revenue and customer deposits of $42.9 million, mainly from a customer prepayment received by Alignment Engine under its GPU infrastructure orders, and a decrease in prepaid and other current assets of $1.1 million, partially offset by a decrease in accounts payable and accrued liabilities of $2.8 million and an increase in contract assets, net of $0.9 million.

Net cash used in operating activities for the nine months ended September 30, 2025 was $2.4 million. Net cash provided by operating activities from continuing operations was $1.2 million, consisting of net income from continuing operations of $5.4 million, non-cash items of $(7.4) million (primarily a $10.0 million gain on settlement of liabilities, partially offset by a $1.1 million change in fair value of convertible notes), and a change in net operating assets and liabilities of $3.2 million. The change in net operating assets and liabilities was primarily a result of a decrease in deposits of $5.2 million, partially offset by decreases in accounts payable and accrued liabilities of $0.9 million and customer deposits and deferred revenue of $0.9 million. Net cash used in operating activities from discontinued operations was $3.7 million.

Cash Flow from Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2026 was $3.7 million, consisting of cash payments for property and equipment of $4.2 million, primarily construction in progress for the Ohio AI infrastructure campus and the headquarters office space, partially offset by $0.5 million of cash acquired in the Alignment Engine Merger.

Net cash used in investing activities for the nine months ended September 30, 2025 was $39 thousand, consisting of cash payments for property and equipment of $69 thousand, partially offset by proceeds from the sale of property and equipment of $30 thousand.

Cash Flow from Financing Activities

Net cash provided by financing activities for the nine months ended September 30, 2026 was $7.1 million. Cash flow provided by financing activities consisted of proceeds from the at the market offering of $3.6 million, proceeds from the PIPE offering of $2.2 million and proceeds from the registered direct offering of $1.6 million and the collection of the $0.2 million equity contribution receivable, offset by cost of share issuance of $0.4 million.

Net cash provided by financing activities for the nine months ended September 30, 2025 was $2.8 million. Cash flow provided by financing activities consisted of net proceeds from the issuance of convertible notes of $4.1 million, partially offset by the repayment of loans of $1.1 million.

Sources of Liquidity

To date, we have financed our operations primarily as a result of the 2023 business combination, sales of stock, borrowings of long-term and short-term debt, loans and convertible notes. As of September 30, 2026, we had a working capital deficit of approximately $2.1 million and our primary source of liquidity was cash totaling $41.2 million. We intend to fund our operations and the planned development of our AI infrastructure through customer prepayments under existing and future customer contracts, sales of common stock under the equity line of credit purchase agreement we entered into on October 8, 2026 (see Note 17), private placements of equity securities, and debt and equipment financing. As of the date of this Quarterly Report, none of these sources of financing had been committed. As discussed in Note 2 to the consolidated financial statements, there is substantial doubt about our ability to continue as a going concern within one year after the date the consolidated financial statements are issued, and our plans do not alleviate that substantial doubt.

The Company entered into the pre-delivery payment agreement on October 5, 2022, with SAC Leasing G280 LLC to obtain loans in the aggregate amount of $40.5 million for the purchase of four (4) Gulfstream G280 aircraft to be delivered in 2024 and 2025. The maturity date was the earlier of the delivery date of the aircraft or September 14, 2025, which is thirty-five (35) months from the date of funding. The purchase agreement contracts were assigned to SAC Leasing G280 LLC as collateral on this credit facility. In the second quarter of 2025, with the delivery of the third G280, the remaining outstanding balance of the SAC Leasing G280 LLC credit facility was paid in full.

On March 27, 2026, the Company entered into an ATM Sales Agreement with Curvature Securities, LLC (the "Agent"), pursuant to which the Agent will act as the Company's sole sales agent or principal with respect to the offer and sale from time-to-time of shares of the Company's Class A Common Stock, having an aggregate gross sales price of an aggregate of up to $3.7 million. In April 2026, the Company received $3.6 million in net proceeds from the sale of stock under our at-the-market program. The Company does not currently expect to utilize its ATM sales program during the remainer of 2026 due, in part, to limitations imposed under SEC rules.

On June 7, 2026, the Company entered into a Securities Purchase Agreement for the sale by the Company of 6,500,000 shares of the Company's Class A common stock. The Company received gross proceeds of $2.2 million from the offering.

On June 27, 2026, the Company entered into a Securities Purchase agreement for the sale by the Company of 11,038,767 shares of the Company's Class A common stock. The Company received gross proceeds of $1.8 million from the offering.

Contractual Obligations and Commitments

Our principal contractual commitments consist of obligations under our convertible promissory notes and operating leases. In addition, Alignment Engine has entered into a lease for a data center facility in Chillicothe, Ohio that had not commenced as of September 30, 2026 and that requires base rent, reservation fees of $80.0 million and the issuance of a warrant to the landlord. See Note 14 to our condensed consolidated financial statements. As of September 30, 2026, Alignment Engine also had open purchase orders of approximately $606.0 million, consisting of $533.9 million for GPU servers and related racks and $72.0 million for data center equipment and construction. The GPU server order is non-cancelable and non-returnable. In October 2026, Alignment Engine revised the GPU server order, reducing that commitment to $255.5 million. See Note 17.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of our operations is based on our consolidated financial statements and accompanying notes, which have been prepared in accordance with GAAP. Certain amounts included in or affecting the consolidated financial statements presented in this Quarterly Report and related disclosure must be estimated, requiring management to make assumptions with respect to values or conditions which cannot be known with certainty at the time the consolidated financial statements are prepared. Management believes that the accounting policies set forth below comprise the most important "critical accounting policies" for the company. A "critical accounting policy" is one which is both important to the portrayal of our financial condition and results of operations and that involves difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management evaluates such policies on an ongoing basis, based upon historical results and experience, consultation with experts and other methods that management considers reasonable in the particular circumstances under which the judgments and estimates are made, as well as management's forecasts as to the manner in which such circumstances may change in the future.

Revenue Recognition

Revenues are recognized on a gross basis and presented on the consolidated statements of operations net of rebates, discounts, and taxes collected concurrent with revenue-producing activities. The transaction price in the Company's contracts with its customers is fixed at the time control of goods and services are transferred to the customer. Therefore, the Company does not estimate variable consideration or perform a constraint analysis for our contracts.

The Company determines revenue recognition pursuant to Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, through the following steps:

1. Identification of the contract, or contracts, with a customer.

2. Identification of the performance obligation(s) in the contract.

3. Determination of the transaction price.

4. Allocation of the transaction to the performance obligation(s) in the contract.

5. Recognize revenue when or as the entity satisfies a performance obligation.

The Company generated revenue primarily through: (i) the sale of aircraft and (ii) our Vaunt software-as-a-subscription platform. Revenue is recognized when control of the promised service is transferred to a customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. At contract inception, the Company assesses the goods and services promised in its contracts with customers and identifies, as a performance obligation, each promise to transfer a good or service to a customer that is distinct. To identify its performance obligations, the Company considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

For each revenue stream, we evaluate whether our obligation is to provide the good or service itself, as the principal or to arrange for the good or service to be provided by the other party, as the agent, using the control model. In such circumstances, the Company is primarily responsible for satisfying the overall performance obligation with the customer and is considered the principal in the relationship.

Revenue from aircraft sales is recognized upon the delivery of the aircraft.

Business Combinations

We account for business combinations using the acquisition method, which requires us to recognize the assets acquired and liabilities assumed at their fair values as of the acquisition date. In connection with the Alignment Engine Merger, we recognized $67.2 million of identifiable intangible assets and $132.8 million of goodwill. Determining these fair values requires significant judgment, including estimates of projected revenues, cash flows and margins, customer attrition, discount rates and useful lives. The $184.5 million fair value of the consideration transferred was based on an estimate of the combined equity value of the Company and Alignment Engine, using a discounted cash flow method for Alignment Engine and an option pricing method to allocate that value between the Preferred Stock and common stock. The purchase price allocation is preliminary and may be adjusted during the measurement period, which will not exceed one year from the closing of the Alignment Engine Merger.

Goodwill and Intangible Assets

Goodwill is tested for impairment annually as of October 1 and whenever events or changes in circumstances indicate that the fair value of a reporting unit may be less than its carrying amount. All of our goodwill is assigned to the AI Infrastructure reporting unit. Because the goodwill was recognized at fair value on September 11, 2026, the fair value of the reporting unit approximated its carrying amount at that date. As a result, a decline in projected cash flows, an increase in discount rates, delays in the development of our AI infrastructure campus, the loss or modification of customer contracts or a sustained decline in our market capitalization could result in an impairment charge that could be material. Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives and are reviewed for impairment when events or changes in circumstances indicate that their carrying amount may not be recoverable.

Income Taxes

We record a valuation allowance to reduce deferred tax assets to the amount that is more likely than not to be realized. In connection with the Alignment Engine Merger, we recorded a net deferred tax liability of $16.8 million, primarily for the difference between the book and tax bases of the acquired intangible assets, and we maintain a valuation allowance against substantially all of our deferred tax assets, including Alignment Engine's net operating loss carryforwards. Assessing the need for a valuation allowance requires judgment about future taxable income, the timing of the reversal of deferred tax liabilities and limitations on the use of net operating loss carryforwards. Changes in these judgments could result in a material change in our income tax expense.

Replacement Warrant Liability

The replacement warrants issued in the Alignment Engine Merger are classified as a liability and remeasured at fair value at each reporting date, with changes in fair value recognized in earnings. The fair value of the warrant liability was $72.0 million at September 30, 2026. We estimate it using a Monte Carlo simulation, as described in Note 2 to the consolidated financial statements. We consider this a critical accounting estimate because the liability is significant to our financial position, and changes in its fair value can significantly affect our results of operations.

The most significant assumption is the value of our common stock used in the simulation. We derive it from the estimated combined equity value of the Company and Alignment Engine. We concluded that the combined equity value did not change significantly from the Closing Date to September 30, 2026: it was $208.0 million at the Closing Date and $212.0 million at September 30, 2026. Over the same period, the closing price of our Class A common stock increased from $0.19 to $0.33 per share. Other significant assumptions are:

- expected volatility, which was 118.3% at September 30, 2026 compared with 114.2% at the Closing Date;
- the expected timing and pricing of our planned private placement, upon which the exercise prices of the warrants are assumed to reset.

Changes in the market price of our Class A common stock, in the combined equity value or in our financing plans could result in material gains or losses in future periods.

Stock-Based Compensation

The Company accounts for stock-based compensation costs under the provisions of ASC 718, Compensation—Stock Compensation ("ASC 718"), which requires the measurement and recognition of compensation expense related to the fair value of stock-based compensation awards that are ultimately expected to vest. The Company recognizes the cost of services received in exchange for awards of equity instruments based on the grant-date fair value of equity awards. This cost is recognized as expense over the employee's requisite vesting period or over the nonemployee's period of providing goods or services. Any forfeitures of stock-based compensation are recorded as they occur.

The Company utilizes the Black Scholes valuation model to value the issuance of stock-based compensation. See Note 13, "Shareholders' Equity (Deficit)" of the accompanying Notes to Consolidated Financial Statements.

JOBS Act

We are an "emerging growth company" as defined in the JOBS Act. The JOBS Act permits emerging growth companies to take advantage of an extended transition period to comply with new or revised accounting standards, delaying the adoption of these accounting standards until they would apply to private companies. We have elected to use this extended transition period under the JOBS Act until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates. The Company's financial statements have not been impacted by the JOBS Act as of September 30, 2026. We will cease to be an emerging growth company on December 31, 2026, and will thereafter adopt new or revised accounting standards on the dates applicable to public business entities.

We have chosen to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, as an "emerging growth company" we are not required to, among other things, (i) provide an auditor's attestation report on our system of internal control over financial reporting pursuant to Section 404 of SOX, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (United States) regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the consolidated financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation-related items, such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation. We may remain an emerging growth company until the last day of the fiscal year ending after the fifth anniversary of our IPO, although circumstances could cause us to lose that status earlier, including if we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act or if we have total annual gross revenue of $1.235 billion or more during any fiscal year before that time, in which cases we would no longer be an emerging growth company as of the following December 31 or, if we issue more than $1.0 billion in non-convertible debt during any three year period before that time, we would cease to be an emerging growth company immediately.

Recent Accounting Pronouncements

For further information on recent accounting pronouncements, see Note 2 "Summary of Significant Accounting Policies" of the accompanying consolidated financial statements included elsewhere in this Quarterly Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is not required to provide the information required by this Item as it is a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by the report, as required by Rules 13a-15 and 15d-15 under the Exchange Act, our management, including our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2026, our disclosure controls and procedures were not effective due to material weaknesses in the Company's internal control over financial reporting.

Management has begun implementing a comprehensive remediation plan designed to address the identified material weaknesses through enhancements to financial reporting processes, internal control documentation, segregation of duties, and IT general controls, with assistance from external advisors. These remediation efforts are expected to continue throughout fiscal 2026, and management will evaluate the operating effectiveness of the enhanced controls before concluding that the material weaknesses have been remediated.

Nevertheless, based on the performance of additional procedures by management designed to ensure reliability of financial reporting, management has concluded that, notwithstanding the material weaknesses described below, the financial statements, and other financial information included in this report, fairly present, in all material respects, the financial condition, results of operations, and cash flows of the Company as of the dates, and for the periods presented, in conformity with U.S. GAAP.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended on September 30, 2026 covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are a defendant or plaintiff in various legal proceedings which arise in the normal course of business. As such, we are required to assess the likelihood of any adverse outcomes to these proceedings as well as potential ranges of probable losses. If one or more legal matters were resolved against us in a reporting period for amounts above management's expectations, our financial condition and operating results for that reporting period could be materially adversely affected.

ITEM 1A. RISK FACTORS

Except as set forth below, there have been no material changes from the risk factors previously disclosed in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 12, 2026 (as amended, the "Form 10-K"), and our subsequent reports filed with the SEC. Investors should review the risks provided in the Form 10-K and in other reports we filed with the SEC prior to making an investment in the Company. The business, financial condition and operating results of the Company can be affected by a number of factors, whether currently known or unknown, including but not limited to those described in the Form 10-K, any one or more of which could, directly or indirectly, cause the Company's actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect the Company's business, financial condition, operating results and stock price.

The following risk factors relate to our AI infrastructure business, which we acquired in the Alignment Engine Merger, and supplement the risk factors described in the Form 10-K.

Risks Related to Our AI Infrastructure Business

Our AI infrastructure is subject to novel and evolving cybersecurity threats, including AI-specific attack vectors such as prompt injection, model poisoning, and data exfiltration, which may not be adequately addressed by conventional security measures.

Operating AI workloads introduces cybersecurity risks distinct from those present in traditional information technology environments, including prompt injection attacks, model poisoning, insecure or over-privileged AI agents, supply chain vulnerabilities in third-party AI models and tooling, and the inadvertent exposure of confidential data by employees or customers through AI systems. Conventional security frameworks, controls, and detection tools may be insufficient to identify, prevent, or remediate these attack vectors. Threat actors may exploit vulnerabilities in our AI infrastructure to gain unauthorized access to customer data or disrupt our services. AI security standards continue to evolve, and the absence of established industry norms may limit our ability to assess and address these risks effectively. Any security failure involving our AI systems could result in reputational harm, litigation, regulatory investigations or enforcement actions, and other legal or regulatory liabilities.

We depend on a limited number of third-party suppliers for critical AI hardware, including GPUs, and supply chain disruptions or allocation constraints could materially impair our operations.

The supply of high-performance GPUs and other AI accelerators is concentrated among a small number of manufacturers. These manufacturers may prioritize allocations to larger customers, including hyperscalers, which could limit our access to critical hardware. In addition, procurement of GPU clusters and related equipment may involve long lead times. Supply chain disruptions, manufacturing defects, trade restrictions, or geopolitical tensions could reduce the availability of, or increase prices for, critical hardware. If we are unable to replace or substitute critical components on a timely basis, our ability to service customers, meet contractual commitments, or expand capacity could be materially impaired.

Our revenue will be concentrated among a small number of customers, and the loss of, or a significant reduction in business from, any of these customers could materially harm our business.

We expect that a significant portion of our revenues will be generated by a limited number of customers. The concentration of our customer base increases our exposure to the financial condition, capital spending decisions, and technology strategies of individual customers. If any key customer experiences a deterioration in its financial condition, reduces its use of our facilities, fails to renew its contract upon expiration, or elects to develop its own data center capacity, we could experience a sudden and material reduction in revenue. Customer contracts may be subject to expiration, renegotiation, or early termination rights, and we may not be able to renew expiring agreements on commercially favorable terms or at all. The loss of one or more key customers, or a material reduction in their utilization of our capacity, could have a disproportionately adverse effect on our business, results of operations, and financial condition.

Our business requires substantial and ongoing capital expenditures for data center construction, expansion, and technology refresh, and we may be unable to fund these requirements or complete projects on time and on budget.

The construction, fit-out, expansion, and ongoing maintenance of AI data centers are capital-intensive and require significant investments in facilities, power infrastructure, cooling systems, networking equipment, and computing hardware. Our projects may experience cost overruns, permitting delays, construction defects, supply shortages, contractor failures, and other difficulties that could cause them to exceed budgeted costs or be completed later than anticipated. In addition, we may need to continually refresh our hardware as GPU architectures evolve and customer requirements change. We may need to raise additional capital to fund planned investments, and such capital may not be available on acceptable terms or at all. Projected returns on our capital investments may not be achieved due to changes in customer demand, technology, or competitive pricing. Significant capital commitments that are not matched by corresponding revenue could materially and adversely affect the Company's financial condition, liquidity, and ability to service its obligations.

We operate in a highly competitive market for AI data center capacity, and we may be unable to compete effectively against larger, better-capitalized rivals.

The AI data center industry is evolving rapidly, with many new competitors entering the market as well as large, well-capitalized established data center operators and hyperscalers with significantly greater financial, technical, and operational resources than ours. Our ability to compete depends on, among other things, access to reliable power, availability of key equipment, long-term customer relationships, adequate funding, and favorable public sentiment and regulatory environment. Mergers or consolidations among technology companies could reduce the number of our potential customers and make us more dependent on a limited number of customers. If

customers develop their own data center capacity, consolidate into data centers that we do not own or operate, or reduce spending in response to economic downturns or changing technology requirements, our business, financial condition, and results of operations could be materially adversely affected.

Volatility in electricity costs could significantly increase our operating expenses and adversely affect our profitability.

Electricity is the single largest operating cost component of our AI data center business. Our power arrangements may include fixed and variable rate structures indexed to wholesale market prices, and a significant increase in electricity costs, whether arising from changes in regulatory policy, grid congestion, increased demand from competing data centers, carbon pricing regimes, or other market factors, could substantially increase our cost structure. We may not always be able to pass through increased power costs to customers under existing contracts, and attempts to do so may result in customer attrition. Our ability to manage power costs through hedging instruments, alternative energy sources, or power purchase agreements with favorable terms is uncertain. Sustained increases in electricity prices could render our data center services uneconomical and materially adversely affect our business, financial condition, and results of operations.

Our data centers will require substantial and reliable supplies of water for cooling purposes, and constraints on water availability could disrupt operations or require costly system modifications.

High-performance AI workloads generate significant heat, and our data centers will depend on cooling systems, including evaporative cooling and liquid cooling technologies, that require large volumes of water. Water scarcity, drought conditions, or regulatory restrictions on water withdrawal and discharge could reduce the availability or increase the cost of water necessary for cooling operations, particularly in regions subject to water stress. Environmental agencies may impose restrictions or permit conditions on water usage, discharge quality, and thermal discharge affecting local waterways. In addition, water cooling systems require ongoing maintenance, and failures in cooling infrastructure could result in equipment damage and service disruptions. If we are unable to maintain an adequate and affordable supply of water, we may be required to implement alternative cooling technologies at substantial cost, and our data center operations, uptime performance, and financial condition could be materially adversely affected.

Equipment failures, power outages, and other operational disruptions at our data centers could result in service interruptions, customer losses, and material liability.

Our data centers will contain complex technical systems, including servers, GPUs, networking equipment, power distribution units, uninterruptible power supplies, generators, and cooling systems, any of which may fail due to hardware defect, software error, human error, physical damage, cyberattack, or utility failure. Some of these failures may be outside of our control, including failures attributable to third-party utility providers or equipment manufacturers. The failure of any of these systems, or the failure of our backup and redundancy measures to operate as intended, could result in service interruptions affecting a significant number of customers. Our customer contracts may include service level agreements that entitle customers to service credits, penalties, or contract termination rights in the event of extended downtime. Equipment damage resulting from overheating, power surge, or other operational failure may also require costly repairs or replacement. Any significant or prolonged service disruption could result in customer attrition, loss of revenue, litigation, reputational harm, and other liabilities.

Our data center operations are subject to environmental laws and regulations governing energy use, water discharge, air emissions, and waste, and compliance costs or enforcement actions could adversely affect our business.

Our data center construction and operations are subject to a range of federal, state, and local environmental laws and regulations, including those governing air quality, water withdrawal and discharge, storm water management, solid and hazardous waste disposal, and noise. Our backup generators and cooling systems may be subject to air emissions permitting requirements, and the operation of our cooling systems may be subject to discharge permit conditions. We may be required to obtain, maintain, and renew multiple environmental permits for each facility, and delays or denials in the permitting process could impede construction timelines or force modifications to our planned designs. Increasing legislative and regulatory focus on the environmental footprint of data centers, including energy efficiency standards, renewable energy mandates, and carbon disclosure obligations, may require us to undertake capital investments or operational changes that we have not budgeted for. Failure to comply with applicable environmental requirements could result in regulatory enforcement actions, fines, permit revocations, construction stop-work orders, and reputational damage, any of which could materially adversely affect our business and results of operations.

We are subject to evolving and uncertain regulatory requirements applicable to AI, data privacy, energy consumption, and data center operations that could increase our costs and constrain our business.

The regulatory environment governing AI infrastructure, data privacy, and data center energy use is rapidly evolving and remains uncertain across federal, state, and international jurisdictions. Government regulators may impose restrictions on energy consumption, require compliance with sustainability and renewable energy mandates, or restrict the ability of electricity suppliers to provide power to large data center operators. The emerging landscape of AI-specific governance regulations, including potential requirements related to AI model validation, data usage transparency, and automated decision-making, could impose significant compliance obligations and require substantial investment in personnel, technology, and legal resources. In addition, changes in export control laws, zoning regulations, permitting requirements, or community considerations may affect our development schedules, operating costs, and the continued validity of permits and grid connection rights required to operate our facilities. Failure to comply with applicable laws and regulations could expose the Company to governmental investigations, enforcement actions, reputational damage, and material liability.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

Other than as described below, the Company did not sell any unregistered securities during the quarter ended September 30, 2026, which were not previously reported in a Current Report on Form 8-K filed by the Company with the SEC.

On September 11, 2026, the Company entered into an ordinary course agreement for public relations services and, on September 30, 2026, issued 600,000 restricted shares of common stock as partial consideration under that agreement. This transaction was effected without registration under the Securities Act in reliance on the exemption from registration provided under Section 4(a)(2) of the Securities Act.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Company and its affiliates did not repurchase any shares of common stock during the quarter ended September 30, 2026.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) During the quarter ended September 30, 2026, there was no information required to be disclosed in a report on Form 8-K which was not disclosed in a report on Form 8-K.

(b) During the quarter ended September 30, 2026, there were no material changes to the procedures by which stockholders may recommend nominees to our board of directors.

(c) During the quarter ended September 30, 2026, no director or officer of the Company adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit Index

Exhibit Number	Description
2.1^	Agreement and Plan of Merger, dated August 25, 2026, by and among Volato Group, Inc., Volato Alignment Merger Sub, LLC and Alignment Engine Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2026).
2.2	Amended and Restated Amendment No. 1 to Agreement and Plan of Merger, dated September 10, 2026, by and among Volato Group, Inc., Volato Alignment Merger Sub, LLC and Alignment Engine Inc. (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed with the SEC on September 11, 2026).
3.1	Second Amended and Restated Certificate of Incorporation of Volato Group, Inc., as amended through February 19, 2025 (incorporated by reference to Exhibit 3.1 of our Registration Statement on Form S-1 filed with the SEC on May 7, 2025).
3.2	Third Amended and Restated Bylaws of Volato Group, Inc. PROOF Acquisition Corp I, as amended through October 10, 2024 (incorporated by reference to Exhibit 3.1 of our Annual Report on Form 10-K for the year ended December 31, 2024).
3.3*	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Company, effecting the change of the Company's name from Volato Group, Inc. to SOAR AI, Inc.
3.4	Certificate of Designations of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on September 11, 2026).
3.5	Certificate of Designations of Series A-1 Convertible Preferred Stock (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on September 11, 2026).
3.6	Certificate of Designation, Preferences, and Rights of Series B Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on October 9, 2026).
4.1	Form of Fifth Tranche Senior Unsecured Convertible Promissory Note (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on September 11, 2026).
10.1#	Executive Employment Agreement dated July 1, 2026, by and between the Company, Volato, Inc., and Mark Heinen (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on July 23, 2026).
10.2	Sixth Amendment to Aircraft Management Services Agreement, dated as of August 31, 2026, between Volato Group, Inc. and flyExclusive, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 4, 2026).
10.3	Form of Lock-Up Agreement, by and between the Company and its officers and directors (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 11, 2026).
10.4	Form of Voting Agreement, by and between the Company and its officers and directors (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on September 11, 2026).
10.5	Waiver Agreement, dated September 10, 2026, by and between Volato Group, Inc. and JAK Opportunities IX LLC (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on September 11, 2026).
10.6#	Executive Services Agreement, effective as of September 11, 2026, between Volato Group, Inc. and Christopher M. Ensey (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 21, 2026).
10.7*+	Master Services Agreement, dated as of September 22, 2026, by and between Alignment Engine Inc. and [***].
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104*	Cover Page Interactive Data File—the cover page XBRL tags are embedded within the Inline XBRL document contained in Exhibit 101

^ Exhibits and/or schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish supplementally copies of any of the omitted exhibits and schedules upon request by the SEC; provided, however, that the registrant may request confidential treatment pursuant to Rule 24b-2 under the Exchange Act for any exhibits or schedules so furnished.

Management contract.

+ Certain confidential portions of this exhibit (indicated by "[***]") have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K because the information is not material and is the type that the registrant treats as private or confidential. The registrant agrees to furnish supplementally an unredacted copy of the exhibit to the Securities and Exchange Commission upon its request.

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized.

Date: November 23, 2026

SOAR AI, INC.

By: */s/ Christopher Ensey*
Name: Christopher Ensey
Title: Chief Executive Officer

By: */s/ Mark Heinen*
Name: Mark Heinen
Title: Chief Financial Officer

Delaware

The First State

I, CHARUNI PATIBANDA-SANCHEZ, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "VOLATO GROUP, INC.", CHANGING ITS NAME FROM "VOLATO GROUP, INC." TO "SOAR AI INC.", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF OCTOBER, A.D. 2026, AT 6:02 O`CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF AMENDMENT IS THE NINETEENTH DAY OF OCTOBER, A.D. 2026 AT 12:01 O'CLOCK A.M.

C. B. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

5527927 8100
SR# 20264711408

Authentication: 205445912
Date: 10-16-26

You may verify this certificate online at corp.delaware.gov/authver.shtml

Docusign Envelope ID: 9F2440D2-1956-847D-830A-270877C440F6

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:02 PM 10/15/2026
FILED 06:02 PM 10/15/2026
SR 20264711408 - File Number 5527927

CERTIFICATE OF AMENDMENT OF SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF VOLATO GROUP, INC.

Volato Group, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

FIRST: That, at a meeting of the Board of Directors of the Corporation, resolutions were duly adopted recommending and declaring advisable that the Second Amended and Restated Certificate of Incorporation of the Corporation be amended as follows:

RESOLVED, that Article I of the Second Amended and Restated Certificate of Incorporation of the Corporation, as amended and/or restated to date, be amended and restated in its entirety to read as follows:

"The name of the corporation is SOAR AI, Inc. (the "**Corporation**")."

SECOND: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware and no meeting or vote of the stockholders of the Corporation was required.

THIRD: That this Certificate of Amendment shall become effective at 12:01 a.m., Eastern Time, on October 19, 2026.

***

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by its Chief Executive Officer on this 15th day of October, 2026.

VOLATO GROUP, INC.

Signed by:
By: Chris Ensey
D4310485C77D4E3...
Chirstopher Ensey, Chief Executive Officer

Exhibit 10.7

Master Services Agreement

This Master Service Agreement (this "Agreement") is entered into as of 9/22/2026 (the "Effective Date") by and between Alignment Engine Inc. d/b/a Aligned a company incorporated in Delaware and having its principal place of business at 8050 Freedom Avenue NW, North Canton, Ohio 44720 ("Service Provider"), and [***], a Delaware corporation with an address at [***] ("[***]"). [***] and Service Provider are each referred to herein as a "Party", and collectively as the "Parties".

In consideration of the reciprocal commitments outlined herein and other good and valuable consideration, the Parties hereby agree as follows:

Master Agreement. The Parties acknowledge and agree that this Agreement constitutes a master service agreement governing [***]' use of Service Provider's Services. All Orders entered into by the Parties in connection with the Services will be subject to and incorporate the terms of this Agreement. In the event of any conflict between this Agreement and any Order, the terms of this Agreement will control, except to the extent that an Order expressly states that a specific provision is intended to supersede a specifically identified provision of this Agreement, in which case such Order will control solely with respect to that identified provision. No Order will be deemed to amend, modify, or waive any provision of this Agreement unless it expressly so states and is executed by authorized representatives of both Parties.

1. **Definitions**

   a. "Account" refers to the account [***] creates with the Service Provider that enables [***] to access the Services.

   b. "Affiliate" of a Party denotes any entity that directly or indirectly controls, is controlled by, or is under common control with that Party. For the purposes of this definition, "control" of an entity signifies the direct or indirect ownership or control of more than 50% of the voting interests of said entity. Each Party will be responsible for the acts and omissions of its Affiliates hereunder.

   c. "Collateral Agent" means the collateral agent appointed for the benefit of the lenders under the applicable Credit Agreement in connection with Service Provider's, an SPV's, or any of their Affiliates' financing arrangements relating to the Services, and any successor or replacement collateral agent.

   d. "Confidential Information" encompasses all information disclosed by one Party ("Disclosing Party") to the other Party ("Receiving Party"), whether communicated orally, electronically, or in writing, that is either marked or designated as confidential at the time of disclosure or that a reasonable person would consider confidential given the nature of the information and the circumstances under which it is disclosed. Notwithstanding the foregoing, Confidential Information does not include any information that the Receiving Party can demonstrate: (i) is generally known to the public without any breach of obligation to the Disclosing Party; (ii) was rightfully known to the Receiving Party prior to its disclosure by the Disclosing Party; (iii) was independently developed by the Receiving Party without use of or reference to any Confidential Information of the Disclosing Party; or (iv) is received from a third party without any breach of obligation to the Disclosing Party. Service Provider's Confidential Information includes the Service Provider Property. [***]' Confidential Information includes the [***] Data. The terms of this Agreement are the Confidential Information of both parties.

   e. "Credit Agreement" means any credit agreement, loan agreement, note purchase agreement, or other financing agreement under which Service Provider, an SPV, or any of their Affiliates incurs or obtains financing in connection with the Services, together with all amendments, supplements, refinancings, replacements, and related agreements.

   f. "Service Provider Property" encompasses (i) the Platform and Services, (ii) the Documentation, (iii) all other data, content, materials, facilities, networks, systems, and software supplied by Service Provider or its contractors in connection with the Services, and (iv) all modifications, derivative works, enhancements, updates, and upgrades to any of the aforementioned. The definition of Service Provider Property specifically excludes [***] Data.

   g. "Data Incident" means any breach of security resulting in accidental or unlawful destruction, loss, alteration, unauthorized disclosure, or unauthorized access to [***] Data.

h. "Documentation" refers to all documentation and instructional materials concerning the use of the Services that Service Provider generally provides to its customer base.

i. "End User" means an end user of [***]' products or services.

j. "Enforcement Notice" means a written notice delivered by the Collateral Agent to Service Provider and [***] stating that the Collateral Agent is exercising, or intends to exercise, rights under the Financing Documents, including step-in or replacement-servicer rights, following an enforcement event.

k. "Fees" refers to all amounts payable to Service Provider under each Order.

l. "Financing Documents" means the Credit Agreement and all other agreements, instruments, and documents evidencing, governing, or securing obligations to the lenders or the Collateral Agent, including security agreements, pledge agreements, direct agreements, intercreditor agreements, and account control agreements.

m. "Financing Parties" means the Collateral Agent, the lenders under the Financing Documents, any agent or trustee acting on their behalf, and any successors in interest thereto, and for the avoidance of doubt includes Service Provider's institutional capital partners providing debt and equity financing at the SPV level.

n. "[***] Data" refers to any data provided to Service Provider by [***] or any End User, or that is otherwise uploaded to or processed by the Platform in relation to the Services.

o. "Force Majeure Event" means any event or circumstance beyond a Party's reasonable control and which by its nature could not have been foreseen, was unavoidable, or was not caused by the delayed or non-performing Party. Solely to the extent unforeseeable, unavoidable, or not caused by the delayed or non-performing Party, the following shall not constitute Force Majeure Events: (i) failure of any hardware component (including GPU, CPU, NIC, NVMe, memory, or power supply); (ii) firmware or software defects or incompatibilities; (iii) denial-of-service or distributed-denial-of-service attacks targeting Service Provider's infrastructure, to the extent such attack results from or is enabled by Service Provider's failure to adhere to its its then-current mitigation and network security policies; (iv) any failure of Service Provider's backup power, generator, or redundant supply arrangements, provided that a regional utility or grid failure beyond Service Provider's reasonable control shall remain a Force Majeure Event where Service Provider has adhered to its then-current standard redundancy policies; (v) labor disputes, shortages, or work stoppages within Service Provider or its subcontractors; (vi) failures of any single ISP, transit provider, or subsea cable, unless and until such failure affects availability of the broader public internet for more than twenty-four (24) consecutive hours; (vii) failures of Service Provider's power, cooling, fire suppression, or network infrastructure within the data center; or (viii) capacity shortages caused by Service Provider's over-provisioning to other customers.

p. "Order" means an order form or other order that [***] uses to place an order for Services, a form of which is attached as Exhibit A hereto, and includes each such order form and any amendment or supplement thereto.

q. "Order Effective Date" means the date on which Services begin under each applicable Order.

r. "Order Term" means the term length of the applicable Order. Orders will not automatically renew.

s. "Permitted Transferee" means any entity (or designee thereof) that (i) has the financial capacity to perform Service Provider's obligations under this Agreement and the applicable Orders, (ii) has a credit rating, or is supported by a guarantee from an entity that has a credit rating, equal to or better than Service Provider's credit rating as of the date of such transfer, as determined by at least one nationally recognized statistical rating organization, and (iii) is not a direct competitor of Customer.

t. "Personal Data" means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked with an identifiable individual, including any information that constitutes "personal data," "personal information" or a like term as defined by applicable Privacy Law.

u. "Platform" denotes the infrastructure platform supplied by Service Provider as part of the Services. The definition includes any modifications, enhancements, updates, and upgrades made to the Platform over time. The Platform is considered part of the Services hereunder.

v. "Privacy Law" means any applicable United States state or federal law, or any international law, together with any related regulations that apply to Service Provider and/or [***], as applicable, and that regulate the processing of Personal Data, including without limitation the California Consumer Privacy Act, as modified by the California Privacy Rights Act (together with implementing regulations, the "CCPA"), the Virginia Consumer Data Protection Act, the Colorado Privacy Act, the Connecticut Data Privacy Act, the Utah Consumer Privacy Act, the General Data Protection Regulation (EU) 2016/679 ("GDPR"), including the UK implementation of the GDPR ("UK GDPR)", and national implementations thereof by EEA member states and Switzerland.

w. "Services" means the services (including without limitation, access to the Platform) to be provided by Service Provider to [***], as more fully described in each Order.

x. "SPV" means a special purpose vehicle affiliated with Service Provider that is designated as a borrower, owner, or transferee of this Agreement or any Order in connection with financing the Services.

y. "Sub-processor" means any third party engaged by Service Provider that receives, accesses, or processes [***] Data, including, without limitation, third party data centers as well as development, production, maintenance, marketing, financing, and customer support providers associated with the provision of the Services.

2. **Services**

a. Provision of Services

Service Provider will provide the Services to [***], as such Services are set forth in each applicable Order. To the extent that the Services include access to the Platform, Service Provider hereby grants to [***] a non-sublicensable, non-transferable, non-exclusive right to access and use the Platform in accordance with the terms and conditions of this Agreement and each applicable Order.

b. Orders

Orders may be placed: (i) by mutual execution of an Order that references this Agreement; or (ii) by Service Provider on [***]' behalf based on [***]' express written authorization.

c. Performance/Delivery

Performance and delivery dates set forth in an Order will be deemed firm and fixed, unless otherwise expressly set forth to the contrary in an Order. Service Provider shall commence providing Services as of the applicable Services start date set out in the Order (the "Binding Start Date"); provided, however, that in the event such commencement is delayed due to a general delay by an original equipment manufacturer in supplying equipment defined in the applicable Order which impacts the industry generally, is not specific to Service Provider, and is applicable more broadly to the customers of such OEM (each, an "OEM Delay"), as evidenced by documentation provided in writing by Service Provider to [***], such delay shall not constitute a breach of this Agreement or the applicable Order, shall not give rise to any remedy under Section 1(b) of the SLA or any right of termination by [***], and the applicable Binding Start Date and all related deadlines shall be extended on a day-for-day basis for each day of such OEM Delay, up to a maximum extension of sixty (60) days in the aggregate across all OEM Delays under the applicable Order. Service Provider shall notify [***] in writing within five (5) business days of becoming aware of any actual or potential OEM Delay, including the cause and anticipated duration thereof. Service Provider shall use commercially reasonable efforts to mitigate the duration and impact of any OEM Delay. Notwithstanding anything to the contrary, a delay shall constitute an OEM Delay only if Service Provider (i) placed a binding purchase order with the applicable original equipment manufacturer for the equipment specified in the applicable Order no later than the date reasonably required to meet the Binding Start Date, and provides [***] with written evidence of such purchase order and its date; (ii) provides [***] with the OEM's written confirmation of the delay and its cause; and (iii) does not, during the period of such OEM Delay, deliver, provision, allocate, or make available to any other customer any equipment from such OEM of the same type and generation as the equipment specified in the applicable Order, except to the extent necessary to fulfill binding contractual commitments to other customers entered into prior to the Effective Date of this Agreement.

In the event the Binding Start Date is delayed for any reason other than an OEM Delay, a Force Majeure Event, or [***]' acts or omissions, [***]' remedies shall be those set forth in Section 1(b) of the SLA.

The service term duration and expiration date under the applicable Order shall be extended on a day-for-day basis for each day of delay. [***] shall have no obligation to pay Fees for Services not yet delivered. Nothing in this Section 2(c) shall limit, substitute for, or otherwise affect [***]' remedies under Section 1(b) or Section 15 of the SLA.

To the extent the applicable Order does not set out a Binding Start Date, Service Provider shall use its reasonable commercial efforts to meet agreed timelines, but each Party acknowledges that a number of factors could affect actual deployment timelines, and that such deployment timelines set out intended but not binding dates. In the event circumstances arise that impair the achievement of agreed deployment timelines, the Parties shall discuss the matter in good faith, including discussing details of delays in deployment timelines and potential actions or cooperation that may improve deployment timeliness.

d. Account

Access to certain Services will require [***] to create an Account. [***] is responsible for providing accurate and up-to-date information for the Account's authentication process. [***] must not disclose or share any Account authentication information with third parties without prior written consent from Service Provider. [***] will use commercially reasonable efforts to maintain the security and confidentiality of its Account information, implement appropriate security protocols, and promptly notify Service Provider of any unauthorized access of which [***] becomes aware.

e. End Users

Notwithstanding any other provision in this Agreement or any Order to the contrary, Service Provider acknowledges and agrees as follows: (i) that [***] operates a model-agnostic platform (the "[***] Offering") that provides End Users with the ability to access and use third party models that are hosted on the [***] Offering; (ii) that [***] does not review or control the third party models, or any End User content traversing the [***] Offering (or the Services); and (iii) that [***] therefore is and cannot be held responsible for any End User content, or for the acts and omissions of End Users with respect to the Services. [***] agrees that it will implement an end user license agreement (a "EULA") that instructs End Users as to the permitted use of the [***] Offering (and, by association, the Services), and the third party models hosted thereon.

f. Service Level Agreement

Service Provider will comply with the Service Level Agreement set forth in Exhibit B attached hereto (the "SLA"). Along with the termination rights set forth in this Agreement and the SLA, Service Credits under the SLA are the sole and exclusive remedies for any failure to meet a service level or other SLA performance obligation.

g. Monitoring and Modifications

Service Provider may monitor the use of the Services and [***] Data to ensure compliance with applicable laws and the terms of this Agreement, investigation of potential violations hereof and thereof, fraud prevention, and to respond to support requests. Service Provider may modify the Services and Documentation with prior written notice to the [***], provided that the functionality of the Services is not materially reduced.

h. Suspensions

Service Provider may, at its sole discretion and without liability, suspend [***]' access to the Services, in whole or in part, upon written notice, in the event of any of the following: (i) a breach of this Agreement by [***] which would result in imminent and incurable harm to Service Provider or the Services; (ii) excessive utilization of the Services by [***] that materially and adversely affects the availability, performance, or security of the Services; (iii) unauthorized access to the Services, or Service Provider's systems or networks; (iv) a requirement imposed by applicable law, regulation, court order, subpoena, or demand from a regulatory or governmental authority with jurisdiction over Service Provider or the Services, where the only way to satisfy the requirement is to suspend [***]' access to the Services; (v) a Force Majeure Event that would result in imminent and incurable harm to Service Provider or the Services; or (vi) planned or emergency maintenance in accordance with the SLA.

Service Provider will not be liable to [***] for any permitted suspension of [***]' access to the Services hereunder. Notwithstanding the foregoing, if Service Provider suspends [***]' access to the Services pursuant to Sections 2.h(iv) [***] will not be responsible for payment of any Fees that would otherwise accrue during the period of the suspension, and Service Provider will automatically credit any such amounts which have already been paid back to [***] in the invoice delivered immediately following the suspension. Service Provider will limit the duration of any suspension to the timeframe actually required to address the underlying issue, and will reinstate full access to the Service is soon as the underlying issue is resolved.

3. **Fees and Payment Terms**

a. Fees

[***] will pay all Fees specified in an Order. Fees are payable in United States dollars. Fees set forth in an Order are the only amounts owed by [***] under that Order; Service Provider will otherwise be responsible for all costs associated with its provision of the Services. The Fees payable by [***] under each Order are non-cancellable and non-refundable, except as otherwise provided for in this Agreement.

b. Invoices and Payment

Except for any prepayments due (as such prepayments may be specified in the applicable Order), Service Provider will invoice [***] on a monthly basis for all Fees accrued during each calendar month of the Order Term. [***] will pay each undisputed invoice within thirty (30) days of receipt. Any such invoice dispute must be exercised in good faith, be limited to the amount actually in dispute, and be accompanied by a written statement specifying the nature and amount of the disputed claim. [***] must notify Service Provider of any disputed amount within thirty (30) days of receipt of the applicable invoice; failure to do so shall constitute acceptance of such invoice. If any undisputed amounts are not paid by the due date, the overdue and undisputed amounts will accrue interest at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is lower, from the due date until paid in full.

c. Taxes

[***] will pay all sales and use taxes (excluding any franchise taxes or taxes based on Service Provider's net income or property) associated with this Agreement, provided that such taxes are separately stated on each invoice. Service Provider will be solely responsible for the payment of all income taxes, unemployment insurance, and similar taxes, and all other assessments, taxes, contributions or sums payable with respect to Service Provider's and/or Service Provider's employees and subcontractors as a result of or in connection with this Agreement, regardless of the taxing authority. Service Provider will file all returns and reports with respect to any of the foregoing. If Service Provider fails to provide an invoice to [***] for any amount within three (3) months after the month in which the amount becomes payable hereunder, Service Provider waives any right it may otherwise have to invoice for and collect such amount.

d. Set-Off

[***] may not withhold, deduct, recoup, or set off any amount payable under this Agreement or any Order except against a claim of [***] arising solely under this Agreement or the applicable Order that is disputed in good faith in accordance with Section 3(b). Any such withholding shall be exercised solely against the specific invoice to which the disputed amount relates and shall not be deducted from, set off against, or carried forward to any other invoice or amount payable under this Agreement or any Order. For the avoidance of doubt, [***]' obligation to pay all undisputed portions of any invoice when due shall not be affected by the existence of any dispute with respect to other amounts.

4. **Proprietary Rights**

a. [***] Data

[***] retains all rights, title, and interest in and to the [***] Data, including all intellectual property rights therein. No right, title, or license to any [***] Data is granted to Service Provider, either express or implied, by means of this Agreement or any Order.

b. Service Provider Property

Service Provider retains all rights, title and interest in the Service Provider Property, including all intellectual property rights therein. No right, title, or license to any Service Provider Property is granted to [***], either express or implied, except as otherwise set forth in this Agreement and each Order.

5. **Data Obligations and Security**

a. Processing of [***] Data

If [***] Data includes Personal Data, Service Provider is considered a "service provider" or data "processor," and [***] is the data "controller" or "business", as such terms are defined by applicable Privacy Law. Each Party agrees that it will comply with its respective obligations under applicable Privacy Laws. Service Provider will only process Personal Data within the [***] Data: (i) for the sole and specific purpose of providing the Services, or otherwise as instructed by [***] in writing; (ii) as expressly permitted by this Agreement; or (iii) as required by law or regulation. Service Provider is prohibited from "selling" (as defined by the CCPA) or sharing Personal Data for any purpose, using or disclosing the Personal Data outside the direct business relationship with [***], or combining Personal Data received from [***] with data from other sources. Service Provider will cooperate fully with [***] (at Service Provider's expense) in [***]' efforts to monitor Service Provider's compliance with this Section 5.a.

b. Security

Service Provider agrees that it will (i) implement commercially reasonable security measures that are consistent with applicable Privacy Laws, and (ii) take reasonable steps to ensure that each person responsible for processing Personal Data is subject to a duty of confidentiality. Service Provider will promptly (but in all events within 1 hour of discovery) notify [***] of any Data Incident. In the event that Personal Data within [***] Data is compromised as a result of a Data Incident, Service Provider will reasonably assist [***] at no additional cost in fulfilling its notification obligations under applicable Privacy Law regarding a Data Incident. Exhibit C sets forth the minimum technical and organizational measures that Service Provider agrees to implement and maintain throughout the term of this Agreement.

c. Agents and Subcontractors

[***] authorizes Service Provider to engage Sub-processors to perform specific processing activities involving Personal Data on behalf of [***], provided that (i) Service Provider enters into a binding written contract with each Sub-processor which imposes substantially the same material data protection obligations contained in this Section 5 on the Sub-processor; and (ii) Service Provider is and will remain responsible for the acts and omissions of its Sub-processors hereunder.

6. **Confidentiality**

a. Confidentiality

Both parties agree to hold the Confidential Information of the other Party in trust and confidence, using the same degree of care as it uses to avoid unauthorized use, disclosure or dissemination of its own Confidential Information of a similar nature, but in any event not less than reasonable care. The Receiving Party will only use the Confidential Information of the Disclosing Party to exercise its rights or fulfill its obligations under this Agreement. The Receiving Party may disclose the Confidential Information of the Disclosing Party only with the prior written consent of the Disclosing Party or as otherwise specified in this Agreement. The Receiving Party may share the Confidential Information with its affiliates, officers, directors, employees, contractors, and agents (collectively, "Representatives") who have a need to know the information for the purpose of exercising their rights or fulfilling their obligations under this Agreement, and who are bound by written agreements to protect the confidentiality of such information, provided that Receiving Party is and remains responsible for the acts and omissions of its Representatives hereunder.

b. Compelled Disclosure

Notwithstanding anything to the contrary in this Section 6, if the Receiving Party is legally compelled to disclose the Confidential Information of the Disclosing Party due to law, regulation, legal process, or a governmental or regulatory authority, the Receiving Party may make such a disclosure without violating the requirements of Section 6.a, provided that it first provides the Disclosing Party with written notice of such compelled disclosure (if legally permitted), and makes reasonable efforts, at the sole cost of the Disclosing Party, to assist the Disclosing Party in filing any necessary documents or taking actions to prevent or limit the disclosure of the Confidential Information.

7. **Warranties, Covenants and Disclaimers**

a. Mutual Warranties

Each Party represents, warrants and covenants to the other Party that: (i) it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of organization; (ii) it has the full right, power and authority to enter into this Agreement; (iii) the execution of this Agreement by it has been duly authorized by all necessary organizational action of such Party; (iv) it will comply with all applicable laws (including, without limitation, Privacy Laws) in its performance of this Agreement; and (v) when executed and delivered by both Parties, this Agreement will constitute the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

b. Service Provider Warranties

Service Provider represents and warrants to [***]: (i) that the Services will be provided using reasonable care and skill; (ii) that [***]' use of the Services as permitted hereunder will not infringe upon or misappropriate the intellectual property rights of any third party; (iii) that the Services will substantially conform to their specifications, and to the terms set forth in the applicable Order; (iv) that Service Provider will not materially decrease the overall security or functionality of the Services during the applicable Order Term; (v) that the Services will contain no computer instructions whose purpose is to disrupt, damage or interfere with [***]' use of its data, programs, computers, or systems; (vi) that the Services will not contain any key, node lock, time- out, logic bomb or other function, implemented by any means, which may restrict [***]' use of or access to the Services, or any part of them; (vii) that Service Provider has implemented and will maintain suitable virus protection for the Services; and (viii) that Service Provider has implemented and will use, in the provision of the Services, business practices, technology, operating procedures and methodologies consistent with industry best practices to prevent the unauthorized disclosure or distribution of [***] Data and other [***] Confidential Information.

c. Disclaimer

EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, EACH PARTY EXPRESSLY DISCLAIMS, TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, OR ANY WARRANTIES ARISING FROM COURSE OF PERFORMANCE, DEALING, USAGE OR TRADE.

8. **Indemnification**

a. Service Provider Indemnification

Service Provider will defend, indemnify, and hold [***] and its employees, directors, officers, contractors, representatives, and assigns (collectively referred to as "[***] Indemnified Parties") harmless from any loss or damage caused to or incurred by any [***] Indemnified Party as a result of any third party claim (so long as that third party claimant is not an Affiliate of [***]), including any costs and expenses (including reasonable attorney's fees), to the extent such third party claim: (i) alleges that the use of the Services or any Deliverable provided by Service Provider hereunder infringes any patent, copyright, trademark, or trade secret rights (collectively, "Intellectual Property Rights") of such third party (except to the extent the infringement arises out of services, products, processes, or any other resource provided by or procured from, directly or indirectly, [***] or its Affiliates); (ii) relates to a Data Incident; (iii) relates to any breach of this Agreement by Service Provider; (iv) relates to Service Provider's gross negligence or willful misconduct; or (v) relates to any violation of law or regulation by Service Provider. In the event that any portion of the Services is likely to, or otherwise becomes the subject of a third party claim under this Section 8(a), Service Provider may, at its sole discretion and expense (and in addition to its indemnification obligations hereunder): (w) modify the Services to make them non-infringing; (x) secure the right for [***] to continue using the allegedly infringing Services; or (y) terminate this Agreement (including the affected Order(s)) and refund any prepaid Fees for Services that have not been provided as of the effective date of termination; provided that any such refund obligation of Service Provider shall be (i) an unsecured obligation of Service Provider, (ii) expressly subordinated in right of payment to all obligations of Service Provider and its Affiliates under the Financing Documents, and (iii) payable only after the indefeasible payment in full of all amounts owing to the Financing Parties under the applicable Financing Documents.

b. [***] Indemnification

[***] will indemnify, defend, and hold Service Provider and its employees, directors, officers, contractors, representatives, and assigns (collectively referred to as "Service Provider Indemnified Parties") harmless from any damages incurred by any Service Provider Indemnified Party as a result of any third party claim (so long as that third party claimant is not an Affiliate of Service Provider), including any costs and expenses (including reasonable attorney's fees), to the extent such third party claim arises out of: (i) any allegation that the data, information, procedures, or other resources (A) provided by [***] and in the form provided by [***] (or anyone authorized to act on [***]' behalf) as part of its use of the Services or (B) processed, modified, or produced by or on behalf of [***] as part of its use of the Services infringe any Intellectual Property Rights of a third party (except to the extent the infringement arises out of services, products, processes, or any other resource provided by or procured from, directly or indirectly, Service Provider or its Affiliates); (ii) the gross negligence, fraud, or willful misconduct of [***] or any of its Affiliates, or their respective employees, contractors, or suppliers; or (iii) [***]' violation of law or regulation.

c. Indemnification Procedures

The indemnifying Party's obligations under this Section 8 are subject to the following conditions: (i) the indemnified Party must provide prompt written notice of any claim eligible for indemnification under this Section 8 (except that any delay or failure to do so will not relieve the indemnifying Party of its obligations, unless such delay or failure materially prejudices its ability to defend the claim); (ii) the indemnifying Party must be given sole control over the defense or settlement of the claim; and (iii) the indemnified Party must cooperate in the investigation and defense of such claim(s) at the indemnifying Party's expense. The indemnifying Party may not settle or consent to an adverse judgment in any such claim that adversely affects the rights or interests of the indemnified Party without the prior written consent of the indemnified Party, provided that such consent will not be unreasonably withheld.

9. **Limitation of Liability**

a. Waiver of Consequential Damages; Limitation of Liability.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW: (I) NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR TO ANY THIRD PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY ORDER; AND (II) EACH PARTY'S TOTAL, AGGREGATE LIABILITY TO THE OTHER ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT, OR UNDER ANY OTHER THEORY OF LIABILITY, WILL BE LIMITED TO AND WILL NOT EXCEED THE TOTAL AMOUNTS ACTUALLY PAID BY [***] TO Service Provider UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE DATE ON WHICH THE CLAIM OR CAUSE OF ACTION GIVING RISE TO SUCH LIABILITY AROSE. Notwithstanding the foregoing, the limitations of liability contained in this Section 9 will not apply to liabilities that arise out of or in connection with (i) a Party's breach of its confidentiality obligations in this Agreement; (ii) claims for personal injury, death, or damage to tangible property to the extent arising out of negligence or willful misconduct of the liable Party; (iii) Service Provider's breach of its obligations in Section 5 (Data Obligations and Security); (iv) Service Provider's liability for any Data Incident; (v) a Party's indemnification obligations in this Agreement; (vi) a Party's fraud, gross negligence, or willful misconduct; (vii) [***]' obligation to pay undisputed Service Provider Fees under this Agreement for Services which have been actually provided; or (viii) a Party's violation of applicable law.

10. **Term and Termination**

a. Term of Agreement

This Agreement will commence on the Effective Date and, unless terminated in accordance with its terms, will continue for as long as an Order remains in effect (the "Term"). Orders will not automatically renew.

b. Termination for Cause

If a Party materially breaches any provision of this Agreement (or any Order) and the breaching Party fails to cure such breach within thirty (30) days after receiving written notice specifying the breach, the non-breaching Party may terminate this Agreement (or, as applicable, the Order) immediately upon written notice to the breaching Party, subject to the cure periods set forth in Section 10.f. In addition, either Party may terminate this Agreement or any Order immediately upon written notice if the other Party becomes the subject of a petition in bankruptcy or any proceeding relating to insolvency, receivership, liquidation, administration, or assignment for the benefit of creditors, and the cure periods set forth in Section 10(f) shall not apply to any termination under this sentence.

c. SLA Termination Rights; Force Majeure Event

The SLA contains certain termination rights which are expressly incorporated herein. In addition, neither Party will be liable or responsible for any delay or failure in performance of any part of this Agreement or the applicable Service Order that is caused by any Force Majeure Event affecting the performance of the applicable Affected Party; provided, however, that the foregoing shall not apply to excuse or delay [***] from its obligation to pay Fees and other amounts owed in connection with this Agreement or any Order when due under this Agreement or such Order for the first thirty (30) days of a continuous Force Majeure Event after which point [***]' obligation to pay Fees shall be suspended until Services are restored, or the affected Order is terminated in accordance with this Section 10(c) The affected Party must use commercially reasonable efforts to mitigate and minimize any resulting delay. The affected Party must provide written notice to the other Party within a reasonable period (under the circumstances) of learning of a Force Majeure Event, stating the nature and cause of the event, the anticipated duration, the measures proposed or taken to minimize the delay, and the projected timetable for implementing such measures. The affected Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. [***] may terminate any Order without further liability, effective immediately upon written notice, to the extent that a Force Majeure Event causes an interruption of Services lasting more than sixty (60) consecutive days. If [***] exercises this termination right, Service Provider will provide [***] with a full refund of any prepaid but unused amounts under the terminated Order; provided, however, that any such refund obligation of Service Provider shall be (x) an unsecured obligation of Service Provider, (y) expressly subordinated in right of payment to all obligations of Service Provider and its Affiliates under the Financing Documents, and (z) payable only after the indefeasible payment in full of all amounts owing to the Financing Parties under the applicable Financing Documents.

d. Effect of Termination

Termination of an Order will not affect any other outstanding Order. For the avoidance of doubt, a default or breach under one Order shall not constitute a default or breach under any other Order, and [***] shall have no right to set off, counterclaim, or aggregate claims or remedies across Orders. In addition to any other remedies available to [***] at law or under this Agreement, if [***] terminates this Agreement or any Order for cause, then Service Provider shall reimburse [***] for prepaid Fees to the extent such amounts relate to the performance of Services after the effective date of such termination under the applicable Order; provided, that [***] will pay any undisputed invoices for all Services properly rendered before the date of termination and all undisputed Fees that have accrued through the effective date of termination; provided, further, that any such reimbursement obligation of Service Provider shall be (x) an unsecured obligation of Service Provider, (y) expressly subordinated in right of payment to all obligations of Service Provider and its Affiliates under the Financing Documents, and (z) payable only after the indefeasible payment in full of all amounts owing to the Financing Parties under the applicable Financing Documents.

If Service Provider terminates this Agreement or any Order for cause as a result of [***]' material breach, the following shall apply: (a) Service Provider shall use its best efforts to enter into one or more replacement contracts as quickly as possible for the affected capacity, where the replacement contract rate(s) equal or exceed the rate(s) set forth in the terminated Order for the affected capacity (collectively, Service Provider's "Mitigation Obligations"); (b) subject to Service Provider meeting its Mitigation Obligations, [***] shall continue to pay the applicable monthly Fees for the affected Order as and when due until Service Provider enters into one or more replacement contracts for the affected capacity or the end of the then-current term, whichever is earlier; and (c) upon Service Provider entering into a replacement contract: (i) if the replacement contract rate equals or exceeds the rate set forth in the terminated Order for the affected capacity, [***]' payment obligations under clause (b) shall cease as of the effective date of such replacement contract and [***] shall have no further liability; or (ii) if the replacement contract rate is less than the rate set forth in the terminated Order for the affected capacity, [***] shall pay to Service Provider, on a monthly basis, an amount equal to fifty percent (50%) of the difference between (x) the monthly Fee that would have been payable by [***] under the terminated Order for the affected capacity, and (y) the monthly revenue actually received or receivable by Service Provider under the replacement contract(s) for the affected capacity; provided that, for each month, the amount payable by [***] under this clause c(ii) shall be increased, if necessary, such that the sum of such amount and the monthly revenue actually received or receivable by Service Provider under the replacement contract(s) for the affected capacity is at least (A) $1.75 per GPU-hour for any affected Mi355x capacity under Order 1, and (B) $3.30 per GPU-hour for any affected Mi455x capacity under Order 2, in each case multiplied by the number of GPU-hours for such affected capacity that would have been billable under the applicable terminated Order for that month. Such minimum will be calculated separately for each Order Form. Any amount payable under clause (c)(ii) shall be payable in monthly instalments, on the dates on which the monthly Fees for the affected capacity would otherwise have fallen due under the terminated Order, through the end of the then-current term, and shall be invoiced by Service Provider together with reasonable supporting documentation. For the avoidance of doubt, no amount payable by [***] under this Section 10(d) shall be accelerated or become due earlier than the date on which the corresponding monthly Fees would otherwise have fallen due under the terminated Order. To the extent that Service Provider enters into one or more replacement contracts that relet a portion of the affected capacity, the Fees payable for any month going forward shall be reduced by the revenue Service Provider actually receives from third parties for that capacity in that month.

e. Surviving Provisions

Any provision that, by its nature, is intended to survive the termination or expiration of this Agreement, will continue in effect after such termination or expiration.

f. Cure Periods

Notwithstanding any provision to the contrary in this Agreement, [***] shall forbear from exercising any right to terminate this Agreement or any Order on account of a default by Service Provider, an SPV, or a replacement servicer until the following periods have expired, in addition to all cure periods otherwise provided in this Agreement or any Order: (i) for a payment default Service Provider shall have an additional fifteen (15) business days after receipt of notice to cure the default; and (ii) for any non-payment-related default Service Provider shall have an additional thirty (30) days after receipt of notice to cure the default, plus an additional thirty (30) days if Service Provider has identified a replacement servicer and is diligently working to onboard it. In no event shall the aggregate forbearance period under this Section 10(f) exceed sixty (60) days, and this Section 10(f) shall not apply to any termination right arising under Section 15 of the SLA or to any failure by Service Provider to deliver Provisioned Nodes by the applicable Delivery Deadline. For the avoidance of doubt, [***] shall not exercise termination or enforcement rights during these periods.

11. **Miscellaneous Provisions**

a. Relationship: There is no partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties. The Parties are independent contractors.

b. Entire Agreement: This Agreement (including its Exhibits, and each mutually executed Order) is the entire agreement of the Parties with respect to its subject matter, and supersedes any and all prior or contemporaneous understandings and agreements, whether oral or written, between the parties. This Agreement is the only agreement between the Parties, and the terms of any invoice, written terms or conditions, clickthrough terms, or other document that Service Provider submits to [***] that contain terms that are different from, in conflict with, or in addition to the terms of this Agreement are hereby rejected by [***], and will be void and of no effect.

c. Modification; Waiver: A Party's obligations can only be waived in a writing signed by an authorized representative of the other Party. This Agreement can only be amended in a writing signed by both Parties.

d. Governing Law; Venue: This Agreement will be governed by the laws of the State of New York, excluding the conflict of law rules thereof. The Parties specifically exclude from application to this Agreement the United Nations Convention on Contracts for the International Sale of Goods.. Any legal action or proceeding arising under this Agreement will be subject to the exclusive jurisdiction of the federal or state courts seated in New York County, New York and the parties irrevocably consent to the personal jurisdiction and venue there.

e. Assignment: Neither Party may assign, delegate, or transfer this Agreement or any Order, in whole or in part, without the other Party's prior written consent, provided that each Party may, upon written notice but without the requirement to obtain consent, assign this Agreement in its entirety to an Affiliate or to the surviving entity in the event or a merger or acquisition of all or substantially all of that Party's assets or equity. Notwithstanding the foregoing, Service Provider may, without [***]' consent, assign, pledge, or transfer this Agreement, any Order, and its payment rights to an SPV, an Affiliate, a lender under the Financing Documents, or the Collateral Agent, or a Permitted Transferee in connection with the Financing Documents, provided that the applicable transferee assumes the obligations expressly assigned to it. Service Provider shall remain responsible for the performance of its obligations under this Agreement and each Order notwithstanding any such assignment, pledge, or transfer. Except as expressly set forth in this Agreement, no such assignment, pledge, or transfer, and no Financing Document, shall impair, delay, or make conditional [***]' rights to Service Credits or to terminate this Agreement or any Order.

f. Notices: Unless otherwise specified, all notices to [***] under this Agreement must be in writing and delivered to the address provided in [***]' Account. Notices to Service Provider should be sent to chris.ensey@aligned.co. While obligations under the Financing Documents remain outstanding, and from such time as the Collateral Agent's notice details have been specified to [***] in writing, [***] shall deliver a copy of each notice of breach, default, or termination under this Agreement or any Order concurrently to the Collateral Agent at the email and physical address most recently so specified. Failure to deliver such copy shall not render any notice ineffective or invalidate any exercise of [***]' rights; provided that, where [***] has not delivered such copy, any applicable cure period shall be extended by the number of days between delivery of the notice to Service Provider and delivery of the copy to the Collateral Agent. Any change to the Collateral Agent's notice details shall be effective only upon written notice to [***]. For the avoidance of doubt, the Collateral Agent has no right to enforce, consent to, withhold consent from, or delay any exercise of [***]' rights under this Agreement or any Order, and nothing in this Section confers any third-party beneficiary right. Service Provider shall notify [***] in writing within two (2) business days if the Collateral Agent, or any lender under the Financing Documents, exercises or notifies Service Provider that it intends to exercise step-in, replacement-servicer, or equivalent rights affecting the provision of the Services. Either Party may change its notice address by providing notice of the address change as specified in this Agreement. All communications and notices related to this Agreement will be in English.

g. Severability: In the event that any provision of this Agreement is deemed unenforceable, this Agreement will be modified to give as much effect as possible to that provision. Any provision that cannot be modified or reformed in this way will be deemed deleted, and the remaining provisions of this Agreement will continue in full force and effect.

h. [Reserved].

i. Counterparts: This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

j. Headings: The headings in this Agreement are for convenience only and will not affect its interpretation.

k. Construction: The Parties have had the opportunity to review and revise this Agreement. No rule of construction will be applied against any Party based on its role in drafting this Agreement. This Agreement will be interpreted fairly in accordance with its terms and without any strict construction in favor of or against either Party.

l. Publicity: Neither Party may issue a press release or make any public statement related to of this Agreement or the other Party, without the prior written consent of the other Party.

m. Language: This Agreement is written in the English language, which will be the controlling language for all matters relating to the interpretation and enforcement of this Agreement. Any translation of this Agreement into any other language is provided for convenience only and will not be legally binding. In the event of a conflict between the English version and a translated version, the English version of this Agreement will prevail.

n. Third Party Beneficiaries: This Agreement does not confer any rights or benefits upon any third party. There are no third party beneficiaries to this Agreement.

o. Financing Cooperation: [***] shall, at the reasonable request of Service Provider or the Collateral Agent, negotiate in good faith and execute a direct agreement, lender acknowledgment, estoppel, consent, notice acknowledgment, or other customary document requested in connection with the Financing Documents; consent to lender step-in rights and replacement-servicer or replacement-operator frameworks; cooperate with reasonable requests relating to Service Provider's, an SPV's, or an Affiliate's financing; and not unreasonably withhold, condition, or delay any consent or cooperation in connection with the Financing Documents. [***] authorizes Service Provider to provide the Collateral Agent and the lenders with information concerning this Agreement, the Orders, the Services, and [***]' payment performance, subject to customary confidentiality obligations. No such document or request shall increase [***]' payment obligations or reduce, waive, or qualify its substantive rights. [***] shall have a reasonable opportunity, and in no event less than ten (10) business days, to review the form of any requested document. [***] shall not be required to execute any estoppel certificate, acknowledgment, or similar instrument that waives, releases, or forecloses any claim, Service Credit, or right that has accrued to [***], and [***] may qualify any such instrument to preserve accrued claims

p. Step-In Rights: Following delivery of an Enforcement Notice, the Collateral Agent may, directly or through a Permitted Transferee or replacement servicer, step into Service Provider's rights and obligations under this Agreement and the Orders for the purpose of continuing the Services. During the period beginning on delivery of the Enforcement Notice and ending on the expiration of the cure periods set forth in Section 10(f), [***] shall suspend and forbear from exercising any termination, enforcement, suspension, or similar remedy based on a pre-existing default or the applicable enforcement event, shall continue to perform its obligations, including payment of undisputed Fees allocable to Services actually delivered during the Cure Period, and shall reasonably cooperate with the step-in and transition. [***]' rights to Service Credits under the SLA shall continue to accrue during the Cure Period.

q. Electronic Signature: This Agreement may be executed electronically or by other means of electronic acceptance, which will be deemed as original signatures for all purposes.

IN WITNESS WHEREOF, the parties cause this Agreement to be signed by their duly authorized representatives as of the Effective Date.

[***]

Authorized Signature

Name: [***]
Title: [***]
Date: 9/22/2026

Service Provider: Alignment Engine, Inc.

/s/ Chris Ensey
Authorized Signature

Name: Chris Ensey
Title: CEO
Date: 9/22/2026

Exhibit A-1 – Order #1

1. **Parties**

Customer:	[***]
Customer Address:	[***]
Service Provider:	Aligned Engine
Service Provider Address:	8050 Freedom Avenue NW, North Canton, Ohio 44720

2. **Deployment Overview**

GPU Type:	Mi355x
Quantity:	[***]
Service Type:	Wholesale GPU-as-a-Service (WHaaS) — dedicated single-tenant cluster
Contract Term:	48 Months
Deployment Location:	Chillicothe, Ohio

3. **Delivery Timeline**

Milestone	**Deadline**
Prepayment	Within seven (7) days after execution of this Order by both Parties
Binding Start Date	**Mi355x:** December 31, 2026

4. **Financial Summary**

Description	**Mi355x**
GPU Rate (per GPU/hour)	[***]
Monthly Usage Assumption	[***]
GPUs Deployed	[***]
Monthly Compute Value (Pre- Prepayment)	$8,322,000
Contract Duration	48 months
Total Contract Value	$399,456,000
Upfront Prepayment	$39,945,600 (10%)
Remaining Balance (Post- Prepayment)	$359,510,400
Monthly Instalment (Post- Prepayment)	$7,489,800

5. Payment Terms

a. Prepayment is due within seven (7) days after execution of this Order by both Parties. Failure by Customer to pay the Prepayment when due shall constitute a material breach of this Order.
b. Monthly instalments are invoiced in arrears per site and due within thirty (30) days of invoice date.
c. Reserved Capacity fees accrue regardless of actual GPU utilization.
d. All amounts are denominated in United States Dollars (USD) and are exclusive of applicable taxes.
e. Late payments shall accrue interest at 1.5% per month or the maximum rate permitted by applicable law, whichever is lower.

6. Commercial Terms

a. Fixed GPU rate of [***] for Mi355x is locked for the full 48-month term.
b. Prepayment secures dedicated GPU capacity and is non-refundable except as expressly provided in the Master Service Agreement entered into between Customer and Service Provider and in this Order.
c. The remaining balance is amortized evenly across monthly installments following prepayment, on a take-or-pay basis irrespective of utilization.
d. Customer may not sub-license, resell, or transfer reserved capacity without prior written consent from Service Provider.

7. Service Commitment

a. Service Provider shall maintain a Monthly Uptime Percentage of ≥ 99.5% (measured monthly per GPU system, excluding Permitted Unavailability as defined in the SLA).

8. General Provisions

a. This Service Order is subject to, and incorporates by reference, the Master Services Agreement (Agreement) between the parties.
b. In the event of any conflict between this Service Order and the Agreement, the terms of the Agreement shall prevail.
c. This Service Order constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior discussions and representations.
d. Amendments to this Service Order must be in writing and signed by authorized representatives of both parties.
e. If any provision of this Service Order is found to be unenforceable, the remaining provisions shall continue in full force and effect

By signing below, the parties agree to be bound by the terms of this Service and the associated Master Services Agreement.

[***]

Authorized Signature

Name: [***]
Title: [***]
Date: 9/22/2026

Service Provider: Alignment Engine, Inc.

/s/ Chris Ensey
Authorized Signature

Name: Chris Ensey
Title: CEO
Date: 9/22/2026

Exhibit A-2 – Order #2

1. **Parties**

Customer:	[***]
Customer Address:	[***]
Service Provider:	Aligned Engine
Service Provider Address:	8050 Freedom Avenue NW, North Canton, Ohio 44720

2. **Deployment Overview**

GPU Type:	Mi455x
Quantity:	[***]
Service Type:	Wholesale GPU-as-a-Service (WHaaS) — dedicated single-tenant cluster
Contract Term:	48 Months
Deployment Location:	Chillicothe, Ohio

3. **Delivery Timeline**

Milestone	**Deadline**
Prepayment	$38,684,160 (5%) due December 1, 2026; $54,157,824 (7%) due within seven (7) days after Service Provider's written confirmation of shipment
Binding Start Date	**Mi455x:** June 30, 2027

4. **Financial Summary**

Description	**Mi455x**
GPU Rate (per GPU/hour)	[***]
Monthly Usage Assumption	[***]
GPUs Deployed	[***]
Monthly Compute Value (Pre-Prepayment)	$16,118,400
Contract Duration	48 months
Total Contract Value	$773,683,200
Upfront Prepayment	$38,684,160 (5%) due December 1, 2026; $54,157,824 (7%) due within seven (7) days after Service Provider's written confirmation of shipment
Remaining Balance (Post-Prepayment)	$680,841,216
Monthly Instalment (Post-Prepayment)	$14,184,192

5. Payment Terms

a. The Prepayment is payable in two instalments: five percent (5%) of the Total Contract Value ($38,684,160) on December 1, 2026, and seven percent (7%) of the Total Contract Value ($54,157,824) within seven (7) days after Service Provider's written confirmation of shipment of the Provisioned Nodes. Failure by Customer to pay the Prepayment when due shall constitute a material breach of this Order.
b. Monthly instalments are invoiced in arrears per site and due within thirty (30) days of invoice date.
c. Reserved Capacity fees accrue regardless of actual GPU utilization.
d. All amounts are denominated in United States Dollars (USD) and are exclusive of applicable taxes.
e. Late payments shall accrue interest at 1.5% per month or the maximum rate permitted by applicable law, whichever is lower.

6. Commercial Terms

a. Fixed GPU rate of [***] for Mi455x is locked for the full 48-month term.
b. Prepayment secures dedicated GPU capacity and is non-refundable except as expressly provided in the Master Service Agreement entered into between Customer and Service Provider and in this Order.
c. The remaining balance is amortized evenly across monthly installments following prepayment, on a take-or-pay basis irrespective of utilization.
d. Customer may not sub-license, resell, or transfer reserved capacity without prior written consent from Service Provider.

7. Service Commitment

a. Service Provider shall maintain a Monthly Uptime Percentage of ≥ 99.5% (measured monthly per GPU system, excluding Permitted Unavailability as defined in the SLA).

8. General Provisions

a. This Service Order is subject to, and incorporates by reference, the Master Services Agreement (Agreement) between the parties.
b. In the event of any conflict between this Service Order and the Agreement, the terms of the Agreement shall prevail.
c. This Service Order constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior discussions and representations.
d. Amendments to this Service Order must be in writing and signed by authorized representatives of both parties.
e. If any provision of this Service Order is found to be unenforceable, the remaining provisions shall continue in full force and effect

By signing below, the parties agree to be bound by the terms of this Service and the associated Master Services Agreement.

[***]

Authorized Signature

Name: [***]
Title: [***]
Date: 9/22/2026

Service Provider: Alignment Engine, Inc.

Authorized Signature

Name: Chris Ensey
Title: CEO
Date: 9/22/2026

Exhibit B – Service Level Agreement

This Service Level Agreement ("SLA") forms part of, and is incorporated by reference into, the Master Services Agreement in effect between Service Provider and [***] (the "Agreement"). Capitalized terms used but not defined herein have the meanings set forth in the Agreement.

1. Delivery and Provisioning Commitment

(a) Delivery Commitment. Service Provider shall deliver, provision, and make available to [***] one hundred percent (100%) of the Provisioned Nodes set forth in the applicable Order (the "Provisioned Nodes") on or before the applicable Delivery Deadline. "Delivery Deadline" means, with respect to each tranche of Provisioned Nodes, the Binding Start Date for that tranche as set out in the applicable Order, or such other delivery date as that Order expressly specifies for that tranche. If an Order identifies separate tranches of GPUs or Provisioned Nodes, each such tranche shall be evaluated separately for delivery, acceptance, and any remedy. For the avoidance of doubt, a Provisioned Node is delivered for the purposes of this Section 1 only once it has been delivered, provisioned, made available to [***] for acceptance testing in accordance with Section 1(d).

(b) Delivery Failure Remedies. If Service Provider fails to deliver one hundred percent (100%) of the Provisioned Nodes in any tranche by the applicable Delivery Deadline, [***] shall receive Service Credits equal to one percent (1%) of the affected Provisioned Nodes' monthly fee for each full calendar day of delay beyond the Delivery Deadline, applied against the next invoice. No threshold or minimum percentage of undelivered Provisioned Nodes shall be required for such Service Credits to accrue. If any such delay exceeds sixty (60) calendar days, [***] may terminate the affected tranche of the applicable Order in whole or in part upon written notice and receive a full refund of all prepaid fees attributable to the undelivered Provisioned Nodes; provided, however, that such reimbursement obligation shall be (i) an unsecured obligation of Service Provider, (ii) expressly subordinated in right of payment to all obligations of Service Provider and its Affiliates under the Financing Documents, and (iii) payable only after the indefeasible payment in full of all amounts owing to the Financing Parties under the applicable Financing Documents. The remedies in this Section 1(b) and [***]' termination rights under Section 2(c) of the Agreement are the sole and exclusive remedies with respect to Service Provider's failure to deliver the Provisioned Nodes by the applicable Delivery Deadline.

(c) Commencement of Service Level. The service levels for each Provisioned Node shall commence on the date such Provisioned Node is delivered and accepted (or deemed accepted) by [***]. The delay of the delivery for the Provisioned Nodes shall not affect any future tranche. For Nodes that are not delivered in a timely fashion, no service level obligation shall attach, but [***] shall not be required to pay any Fees for such Provisioned Nodes until they are delivered and accepted (or deemed accepted).

(d) Acceptance Period and Acceptance Criteria. Delivery of each Provisioned Node shall be subject to the successful completion of the following criteria within five (5) business days following receipt of the delivery notification required under Section 1(e) (the "Acceptance Period"):

(i) remote administrative access (SSH and out-of-band) is established, and the Node is reachable and provisionable from [***]' control plane or API;

(ii) all system hardware components (CPUs, system memory, local NVMe storage, and network interfaces) are fully enumerated and accessible by the host operating system, and the number of healthy GPUs present matches the configuration set forth in the applicable Order;

(iii) over a continuous twelve (12) hour test window, the Node exhibits none of the following, and Service Provider makes telemetry available to [***] for the duration of that window: (A) any uncorrectable RAS error, XGMI link error, or amdgpu kernel-level fault reported by amd-smi, rocm-smi or equivalent vendor tooling; any Infinity Fabric, XGMI or AMD Fabric Manager fault; uncorrectable ECC errors; or any GPU disappearing from the PCIe bus, (B) failure of the scale-up or scale-out fabric to support RCCL or NIXL collective communications at ninety percent (90%) or more of rated line-rate throughput, or such other threshold as the Parties agree in writing not less than thirty (30) calendar days before the first Delivery Deadline under the applicable Order, or any packet loss or link flap event, other than an isolated event of less than sixty (60) seconds' duration arising from a transient condition outside Service Provider's control, (C) NVMe IOPS degradation, read-only filesystem flips, or failure of any hardware component (including CPU, RAM or NIC) that prevents the execution of ROCm/HIP kernels; or (D) sustained thermal or power throttling;

(iv) the Node performs representative [***] production workloads, including at least one distributed training job utilising the full tranche, without failure of the kind described in clause (iii);

(v) non-GPU nodes pass the standard hardware health checks and diagnostic tests recommended by the relevant OEM for commissioning of that hardware type; and

(vi) the Node otherwise conforms in all material respects to the specifications set forth in the applicable Order. [***]' monitoring and telemetry data shall constitute prima facie evidence of a failure to meet these criteria in accordance with Section 12(b).

[***]' deployment of workloads on a Node during the Acceptance Period shall not constitute acceptance of that Node. If [***] does not deliver a written rejection within the Acceptance Period, the Node shall be deemed accepted. If [***] delivers a written rejection within the Acceptance Period specifying the non-conformity in reasonable detail, Service Provider shall cure or replace the affected capacity at no charge within ten (10) business days, whereupon a fresh Acceptance Period shall apply to that capacity. Fees for each Node shall commence on acceptance and not on delivery or handoff; capacity that fails acceptance shall be treated as undelivered, shall not be invoiced until remediated and accepted, and shall not be counted toward delivery for the purposes of Section 1(b).

(e) Delivery Notification. Service Provider shall notify [***] in writing at [***] when each tranche or batch of Provisioned Nodes is ready for acceptance testing, using [***]' GPU handoff notification template completed in full for the applicable tranche or batch. The Acceptance Period shall not commence until such notice, in the required format, is received.

(f) Identification of Provisioned Nodes; No Reallocation. (i) No later than thirty (30) days prior to each Delivery Deadline, Service Provider shall deliver to [***] a written confirmation of the number of Provisioned Nodes allocated to [***] for that tranche, the number and type of GPUs per Node, and the configuration of each such Node.

(ii) Concurrently with each delivery notification required under Section 1(e), Service Provider shall deliver to [***] a written schedule identifying, by serial number, the Provisioned Nodes comprising the applicable tranche or batch. Service Provider shall deliver an updated schedule within five (5) business days following any substitution of a Replacement Node.

(iii) Service Provider represents and warrants that the Provisioned Nodes are not, and will not be, committed, sold, reserved, or allocated to any other customer, and shall not be reallocated, repurposed, or diverted to any other customer or workload at any time during the Order Term; provided that Service Provider may substitute a Replacement Node in accordance with Section 5, in which case the substituted Node shall become a Provisioned Node and the replaced Node shall cease to be one.

(iv) While any portion of [***]' Provisioned Nodes remains undelivered beyond its Delivery Deadline, Service Provider shall not deliver, provision, or make available to any other customer any GPU of the same type and generation as the undelivered Provisioned Nodes, except to the extent necessary to fulfill binding contractual commitments to other customers entered into prior to the Effective Date of this Agreement.

2. Service Level Standard

Service Provider guarantees a ninety-nine and one-half percent (99.5%) uptime (the "Service Level") calculated on a per-server (each, a "Node") basis. For the avoidance of doubt, availability is measured at the individual Node level and is not calculated as a cluster average. Each Node is treated as an independent unit for purposes of Service Credit calculations. For purposes of this SLA, a "Cluster" means all Provisioned Nodes of a single GPU type and hardware generation at a single Deployment Location under an Order. Where an Order covers more than one GPU type or hardware generation, each such GPU type or generation constitutes a separate Cluster, and all measurements, remedies, and termination rights under this SLA shall be determined and applied separately with respect to each Cluster. Except where this SLA expressly provides for measurement across all Provisioned Nodes, no measurement under this SLA shall aggregate or average availability across separate Clusters.

3. Definition of Availability

A Node is considered "Available" only if it is fully functional and capable of performing the expected AI workload under the applicable Order. [***] utilizes a standard system to monitor Node health and proactively flag Nodes as unavailable, which shall serve as the primary basis for SLA calculation. A Node shall be deemed Unavailable if it fails to meet functional performance standards, including but not limited to any of the following:

- **GPU Integrity:** Any GPU reports a critical XID error (e.g., 61, 63, 79) or the AMD equivalent (e.g., a fatal RAS- reported uncorrectable error via amd-smi/rocm-smi), uncorrectable ECC errors, or disappears ("falls off") from the PCIe bus.

- **Network Performance:** High-speed interconnects (InfiniBand/RoCE) fail to support NCCL, RCCL, or NIXL collective communications at ≥ 90% of the rated line-rate throughput for a Sustained Period, or exhibit packet loss or link flap events, or exhibit any NVLink, NVSwitch, Infinity Fabric, or XGMI fault, including Fabric Manager inactive or the XGMI equivalent fault on AMD SKUs, in each case regardless of whether the Node otherwise remains accessible. For purposes of this Section 3, throughput means the throughput attainable on the affected link or fabric, as demonstrated by [***]' workload telemetry or by a standard diagnostic (including NCCL or RCCL bandwidth tests, ib_write_bw, or the AMD equivalent), and not observed utilization during periods of low workload demand. "Sustained Period" means a period of fifteen (15) or more consecutive minutes, or periods aggregating sixty (60) or more minutes within any rolling twenty-four (24) hour period. At acceptance of each tranche under each Order, the Parties shall jointly measure and record the achieved values for the foregoing network and fabric metrics on the delivered hardware. The recorded values shall be appended to the applicable Order as a specifications exhibit and shall constitute the agreed thresholds for that Order. Where an Order covers more than one GPU type or hardware generation, this exercise shall be performed separately for each.

- **Network Accessibility:** The network path between the data center edge and the rack hosting the Node fails to support a measured round-trip latency of one (1) millisecond or less, or the Node otherwise fails to respond to [***]-initiated health checks over [***]' VPC or dedicated interconnect. For the avoidance of doubt, this trigger applies to Service Provider's internal network between the data center edge and the rack, and does not extend to any network infrastructure owned or controlled by [***].

- **Storage and Hardware Health:** Local NVMe drives exhibit IOPS degradation, "Read-Only" filesystem flips, or failure of any hardware component (including CPU, RAM, or NIC) that prevents the execution of CUDA or ROCm/HIP kernels.

- **Software and Firmware Stack:** Incompatible driver or firmware updates initiated by Service Provider that disrupt the CUDA or ROCm stack or render the Node unusable for AI workloads.

- **Baseline Reachability and Provisioning:** The Node fails to power on, fails to boot into an operating system reachable by SSH, or cannot be reached and provisioned from Service Provider's API or control plane. Unavailability is measured from the earlier of (a) the time [***] submits a support ticket through the designated channel and (b) the time the condition is first detected by either Party's monitoring systems, and ends when the affected Node is restored to an Available state.

4. Service Levels and Service Credits

If a Node's availability falls below the 99.5% Service Level threshold in any billing period, Service Provider shall issue a Service Credit applied against the monthly fee of the specific affected Node as follows:

Monthly Availability (Per Node)	Service Credit (% of Affected Node's Monthly Fee)
≥ 99.5%	No Credit
98.0% to < 99.5%	20%
95.0% to < 98.0%	25%
90.0% to < 95.0%	35%
< 90.0%	50%

The maximum aggregate Service Credits issued in a single billing month shall not exceed fifty percent (50%) of the Fees due for the affected Node for that month. Service Credits shall be applied against future invoices and shall not carryover from one month to the next, and shall not be refundable in cash except upon termination of this Agreement or the applicable Order in which case [***] shall be entitled to the Service Credits accrued in the last month of the applicable Order. Except as set forth in this Section 4, Service Credits are [***]' sole and exclusive remedy for any failure to meet the Service Level. The foregoing shall not apply to, and Service Credits shall not be the sole or exclusive remedy for: (i) [***]' termination rights under Section 15 of this SLA or under the Agreement; (ii) Service Provider's breach of Section 7 (Change Management) or Section 8 (Notice of SLA-Impacting Events) of this SLA; (iii) Service Provider's breach of Section 1 (Delivery and Provisioning Commitment) or Section 6 (Spare Pool and Capacity Reserve) of this SLA; or (iv) Service Provider's fraud, gross negligence, or willful misconduct.

5. Hardware Replacement Commitment

(a) Replacement SLA. In the event that a Provisioned Node becomes Unavailable for any reason not excluded under Section 10, Service Provider shall, within sixty (60) hours of the commencement of such Unavailability (or of [***]' notice of such Unavailability to Service Provider, whichever is earlier):

(i) restore the affected Node to full functional availability; or

(ii) replace the affected Node with a functionally equivalent substitute Node meeting or exceeding the specifications of the original (the "Replacement Node").

(b) [Reserved].

(c) [***] **Environment Continuity.** Service Provider shall use commercially reasonable efforts to provision any Replacement Node in the same datacenter and network topology as the original Node to minimize [***] reconfiguration. Replacement Nodes shall be deemed part of the Provisioned Nodes for all purposes of this SLA.

(d) Data Preservation. Service Provider shall not be responsible for the preservation of [***] Data on a failed Node, and [***] shall be responsible for maintaining its own backups. Service Provider shall, however, provide [***] with reasonable access to any Node pending replacement, solely for the purpose of attempting data recovery, provided such access does not compromise the security or stability of the Service Provider Platform.

6. Spare Pool and Capacity Reserve

Service Provider shall maintain, at all times during the Term, an operational spare pool of no less than five percent (5%) of the total Provisioned Nodes of each hardware generation comprising the Provisioned Nodes (rounded up to the nearest whole Node), which spare Nodes shall be: (i) physically located at or available for rapid transport to the datacenter(s) housing the Provisioned Nodes; (ii) pre-configured to meet or exceed the specifications of the Provisioned Nodes; and (iii) available for immediate deployment as Replacement Nodes pursuant to Section 5. Service Provider shall include a written attestation of spare pool compliance as part of each Monthly SLA Performance Report required under Section 13.

7. Change Management for Firmware, Drivers, and Infrastructure

(a) Advance Notice of Planned Changes. Service Provider shall provide [***] with no less than thirty (30) calendar days' advance written notice of any planned change to:

(i) GPU firmware, including BMC or management controller firmware;

(ii) GPU drivers, CUDA toolkit versions, or ROCm versions, as applicable;

(iii) InfiniBand, RoCE, or other high-speed network fabric firmware or drivers;

(iv) host operating system or hypervisor versions; or

(v) any other component that would reasonably be expected to require [***] application compatibility testing.

(b) [***] **Deferral Right.** [***] may, upon written notice to Service Provider delivered prior to the scheduled change date, defer the implementation of any change described in subsection (a) for a period of up to ninety (90) calendar days from the originally scheduled date, for the purpose of conducting compatibility testing on [***]' applications. Service Provider shall accommodate such deferral requests except to the extent the change is required to remediate an imminent security vulnerability or is otherwise required by applicable law.

(c) Unnoticed or Non-Compliant Changes. Any change described in subsection (a) that is implemented without the required advance notice, or during a period of [***]-requested deferral, and that results in any Unavailability of Provisioned Nodes (including by virtue of CUDA, ROCm, or driver incompatibility with [***]' workloads), shall count as Unavailability for purposes of Service Credit calculation, regardless of whether such change would otherwise qualify as Scheduled Maintenance under Section 9 or fall within any exclusion under Section 10.

(d) Pre-GA and Experimental Versions. [***] shall not be required to accept any firmware, driver, or software version that has not achieved general availability (GA) status from the hardware manufacturer or software provider. Any vendor-initiated deployment of pre-GA versions to Provisioned Nodes shall require [***]' prior written consent.

8. Notice of SLA-Impacting Events

(a) Notification Obligation. Service Provider shall notify [***], by email to [***]' designated notification address and by any other designated communication channel, within one (1) hour of Service Provider becoming aware of any of the following:

(i) any datacenter incident (including power, cooling, network, or physical security events) materially affecting or reasonably likely to affect Provisioned Nodes;

(ii) any upstream transit, peering, or ISP event materially affecting or reasonably likely to affect connectivity to Provisioned Nodes;

(iii) any Data Incident, suspected compromise, or intrusion affecting Service Provider's infrastructure that could reasonably be expected to affect Provisioned Nodes or [***] Data;

(iv) any failure of more than five percent (5%) of Provisioned Nodes within any sixty (60) minute period;

(v) any decision by Service Provider to initiate Emergency Maintenance under Section 9;

(vi) any bankruptcy, insolvency, material regulatory action, or change in the ownership or control of Service Provider that could reasonably be expected to affect the provision of Services; and

(vii) any other event that would reasonably be expected to trigger a claim under this SLA.

(b) Required Content of Notification. Each notification under subsection (a) shall include, to the extent known at the time: (i) the nature and scope of the event; (ii) the affected Provisioned Nodes or services; (iii) the estimated duration; (iv) the remediation steps being taken; and (v) a designated point of contact for follow-up communication.

(c) Ongoing Updates. Service Provider shall provide [***] with status updates no less frequently than every two (2) hours during any ongoing event described in subsection (a) until such event is resolved.

(d) Consequences of Notification Failure. Service Provider's failure to provide the notification required by this Section within one (1) hour of becoming aware of a triggering event shall result in any resulting or related Unavailability counting as Unscheduled Downtime for purposes of Service Credit calculation, regardless of whether such Unavailability would otherwise fall within any exclusion under Section 10.

9. Scheduled and Emergency Maintenance

Service Provider may perform Scheduled Maintenance affecting any Node, subject to each of the following limits:

(a) Scheduled Maintenance shall not exceed, in the aggregate, four (4) hours per Node per calendar month (the "Scheduled Maintenance Cap"), and shall not exceed two (2) hours in any single event. Service Provider shall schedule Scheduled Maintenance outside [***]' peak operating hours where reasonably practicable.

(b) Service Provider shall provide [***] with no less than seven (7) calendar days' advance written notice of any Scheduled Maintenance of four (4) hours or less in duration, and no less than fourteen (14) calendar days' advance written notice of any Scheduled Maintenance exceeding four (4) hours in duration.

(c) Scheduled Maintenance that exceeds the limits in (a), or that is performed without the notice required in (b), shall be treated as Unavailability for purposes of Service Credit calculation.

(d) Emergency Maintenance performed in response to imminent security threats or failures not reasonably foreseeable shall not be subject to the notice requirements of subsection (b), but Service Provider shall notify [***] within one (1) hour of the commencement of such Emergency Maintenance with the reason, scope, and estimated duration. Emergency Maintenance that continues for more than four (4) consecutive hours, or that recurs more than two (2) times in any calendar month with respect to the same Node, shall be treated as Unavailability for purposes of Service Credit calculation for all time beyond such thresholds. Any maintenance of which Service Provider had more than twenty-four (24) hours' advance knowledge of the need to perform shall be deemed Scheduled Maintenance, not Emergency Maintenance, and shall be subject to subsections (a) through (c), regardless of how Service Provider characterizes it. Service Provider shall (i) make commercially reasonable efforts to coordinate timing with [***]' designated on-call contact before proceeding, and (ii) provide [***] with written justification for each Emergency Maintenance classification, including the specific risk addressed, within two (2) business days following the maintenance. Emergency Maintenance shall not exceed four (4) hours per Node per calendar month in the aggregate; any Emergency Maintenance in excess of that cap, or any maintenance improperly classified as Emergency Maintenance under this subsection, shall be treated as Unavailability for purposes of Service Credit calculation.

10. Exclusions from Unavailability

A Node shall not be deemed Unavailable to the extent, and only to the extent, that the Unavailability is directly and solely caused by one or more of the following:

(a) [***]**-Caused Outages.** Any act or omission by [***] or its authorized users on the affected Node, including intentional reboots initiated by [***], kernel panics caused by [***]-installed software, or resource exhaustion caused exclusively by [***]' workload configuration.

(b) [***] **Network.** Unavailability caused by the failure of network infrastructure owned, controlled, or provisioned by [***] between [***]' point of presence and Service Provider's data center edge, provided that (i) Service Provider's infrastructure up to and including the data center edge remains functional, and (ii) Service Provider provides contemporaneous evidence of such functionality upon [***]' request.

(c) Force Majeure. Unavailability resulting from Force Majeure Events (as defined in the Agreement).

(d) Scheduled Maintenance performed in full compliance with Section 9.

(e) RMA and Hardware Failures. Unavailability directly resulting from unhealthy hardware issues, component degradation, or isolated GPU failures that require Return Merchandise Authorization (RMA) or physical hardware replacement; provided that this exclusion applies only if Service Provider promptly, and in any event within sixty (60) hours, replaces the failing components using its maintained onsite spares to mitigate the interruption. For the avoidance of doubt, if Service Provider fails to replace the failing components within sixty (60) hours, all Unavailability from the original failure event shall count toward Service Credit calculations from the commencement of the Unavailability. This exclusion shall not apply (i) to more than two percent (2%) of the Provisioned Nodes in the applicable Cluster in any calendar month, or (ii) to any Provisioned Node that has been the subject of this exclusion within the preceding ninety (90) days.

(f) [***]**-Controlled Software.** Unavailability caused by software, firmware, or configuration issues within [***]-controlled operating systems, containers, or applications running on the Provisioned Nodes, other than any driver, firmware, or software version deployed by Service Provider under Section 7.

11. Support and Incident Response

(a) Service Provider shall maintain a support system accessible to [***] twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year, and shall respond to and resolve incidents in accordance with the priority levels set forth in the table below:

Priority	Description	Support Hours	Initial Response	Resolution Target
P1	Total system inoperability or loss of access to more than ten percent (10%) of Provisioned Nodes	24/7/365	1 hour	24 hours
P2	Partial system inoperability; loss of access to less than ten percent (10%) of Provisioned Nodes; or degraded performance materially affecting distributed workloads	24/7/365	4 hours	48 hours
P3	Core function impaired but not constituting a critical issue	M–F, 9:00–17:30 PT	24 hours	96 hours
P4	All other issues	M–F, 9:00–17:30 PT	48 hours	120 hours

(b) [***] shall initially assign the priority level of each reported incident based on its impact to [***]' operations. Service Provider may propose reclassification to a lower priority level, but any such reclassification shall be effective only upon [***]' written agreement (email sufficient).

(c) Failure by Service Provider to meet the Initial Response target for a Priority 1 incident shall result in an additional Service Credit equal to ten percent (10%) of the affected Nodes' daily fee for each full hour of delay beyond the target. Failure to meet the Resolution Target for a Priority 1 incident shall extend the deemed Unavailability period through the time of actual resolution, regardless of whether the underlying failure would otherwise qualify as an exclusion under Section 10. Notwithstanding the foregoing, where the number of affected Nodes exceeds the spare pool capacity maintained under Section 6, the Resolution Target shall be extended proportionally to account for staged replacement.

12. Claim Procedure and Evidence

(a) Claim Window. [***] shall submit any claim for Service Credits or for exercise of termination rights under this SLA no later than thirty (30) calendar days following the end of the billing period in which the Unavailability occurred. Claims submitted after such period shall be deemed waived; provided that the thirty (30) day claim window shall be tolled during any period of continuous Unavailability lasting more than forty-eight (48) hours.

(b) Evidentiary Standard. [***]-provided monitoring logs, including without limitation dmesg output, DCGM exporter output, nvidia-smi output, amd-smi and rocm-smi output, application-level traces, NCCL or RCCL communication logs, and [***]-side network latency measurements, shall constitute prima facie evidence of Unavailability claims. Service Provider may rebut such evidence only by producing contemporaneous records from its own monitoring systems showing the affected Node in an available and functional state during the claimed period of Unavailability. General assertions, later-generated reports, or reconstructed logs shall not suffice to rebut [***]' prima facie evidence.

(c) Cluster-Wide Blast Radius. If a Node failure causes the failure of a multi-node distributed job, the outage duration shall apply to the Provisioned Nodes participating in the job until the affected Node is restored or a Replacement Node is made available in accordance with Section 5. No "minimum duration" or grace period for outages shall apply to this Agreement..

(d) Application Credits. Service Credits shall be applied against [***]' next invoice following determination.

13. Monthly SLA Performance Reports

(a) Report Delivery. No later than ten (10) business days following the end of each calendar month during the applicable Order Term, Service Provider shall deliver to [***] a written Monthly SLA Performance Report containing the following information for the preceding month:

(i) the measured Monthly Availability (Per Node) for each Provisioned Node, expressed as a percentage and as total hours of Unavailability;

(ii) a detailed log of all incidents affecting one or more Provisioned Nodes, including for each incident: the start time, end time, affected Node(s), priority level assigned under Section 11, and root cause;

(iii) a record of all Scheduled Maintenance and Emergency Maintenance performed during the month, with start time, end time, scope, and compliance status with Section 9;

(iv) any Service Credits accrued to [***] during the month, together with Service Provider's calculation methodology; and

(v) a written attestation, signed by an officer of Service Provider, confirming the accuracy of the report and compliance with the spare pool requirement set forth in Section 6.

(b) Report as Vendor Admission. Information contained in a Monthly SLA Performance Report shall be binding on Service Provider and may be relied upon by [***] for purposes of asserting Service Credit claims or exercising termination rights under this SLA.

14. Audit Rights

(a) Audit Right. Upon ten (10) business days' prior written notice, and no more frequently than once per calendar year, [***] may, through a mutually acceptable independent third-party auditor bound by confidentiality obligations no less protective than those in the Agreement, audit Service Provider's records, monitoring data, and infrastructure reasonably necessary to verify:

(i) the accuracy of Monthly SLA Performance Reports;

(ii) compliance with the spare pool requirement in Section 6;

(iii) compliance with the change management requirements in Section 7; and

(iv) any factual matter underlying a disputed Service Credit claim or termination notice.

(b) Audit Scope and Conduct. Audits shall be conducted during normal business hours, in a manner that minimizes disruption to Service Provider's operations, and shall not require Service Provider to disclose information pertaining to other customers. [***] shall bear all costs of the audit, except as provided in subsection (c).

(c) Audit Discrepancy Remedies. If an audit identifies discrepancies between Service Provider's reported Monthly Availability and the actual availability measured by the auditor of greater than five percent (5%) for any single Billing Period, or greater than two percent (2%) on a cumulative basis across the audit scope, Service Provider shall apply all Service Credits that should have been awarded based on the audit findings to future invoices;

(d) Survival. [***]' audit rights under this Section shall survive termination or expiration of this Agreement for a period of six (6) months with respect to any claims that may have arisen during the Term.

15. Termination for SLA Failure

Without limiting any other termination right under the Agreement, and notwithstanding the cure periods set forth in Section 10(f) of the Agreement, [***] may terminate any outstanding Order, in whole or in part, upon written notice to Service Provider and with a full refund of any prepaid but unused fees (calculated pro rata on a daily basis) in each of the following circumstances:

(a) Sustained Failure. The Monthly Availability (Per Node), averaged across all Provisioned Nodes within the applicable Cluster, falls below eighty-five percent (85%) in any two (2) consecutive billing periods, or falls below ninety percent (90%) in any three (3) billing periods within any rolling six (6) month period.

(b) Catastrophic Failure. The Monthly Availability (Per Node), averaged across all Provisioned Nodes within the applicable Cluster, falls below eighty percent (80%) in any single billing period.

Refunds under this Section 15 shall be (x) an unsecured obligation of Service Provider, (y) expressly subordinated in right of payment to all obligations of Service Provider and its Affiliates under the Financing Documents, and (z) payable only after the indefeasible payment in full of all amounts owing to the Financing Parties

under the applicable Financing Documents. Subject to the foregoing, such refund under this Section 15 shall be paid by wire transfer within thirty (30) calendar days of termination. For the avoidance of doubt, [***]' exercise of termination rights under this Section 15 shall not waive or limit [***]' right to accrued Service Credits, to other remedies available under the Agreement (including, without limitation, termination for material breach), or to any other remedies available at law or in equity.

Exhibit C – Technical and Organizational Measures

The following summarizes the minimum technical and organizational measures that must be implemented and maintained by Service Provider, and which are designed to protect the Platform and Services.

Technical Security

The following organizational security measures are in place in order to protect the Platform and Services:

- A third party extended detection and response platform
- Active threat hunting and log-in monitoring
- Service Provider will implement protections on end-user devices and monitor those devices to be in compliance with the security standard requiring passwords, screen saver, antivirus software, firewall software, hard disk encryption and appropriate patch levels. Controls are implemented to detect and remediate workstation compliance deviations

Organizational Security

The following organizational security measures are in place for all [***] Data stored or processed by Service Provider:

- All [***] Data is physically and logically isolated
- Access controls are in place to limit access to [***] Data on an “as needed” basis, managed through a third party access control platform
- Logins are tracked and monitored through a third party security information and event management platform

Physical Security

All client environments and data are hosted within tier-3 or higher datacenters. These data centers employ monitored and regularly audited physical security controls. Access to the data centers and controlled areas within the data centers is limited by job role and subject to authorized approval.

Exhibit 31.1

CERTIFICATION

I, Christopher Ensey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SOAR AI, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Christopher Ensey
Christopher Ensey
Chief Executive Officer

November 23, 2026

Exhibit 31.2

CERTIFICATION

I, Mark Heinen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SOAR AI, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mark Heinen
Mark Heinen
Chief Financial Officer

November 23, 2026

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of SOAR AI, Inc. (formerly known as Volato Group, Inc.), a Delaware corporation (the "Company"), on Form 10- Q for the three and nine months ended September 30, 2026, as filed with the Securities and Exchange Commission (the "Report"), Christopher Ensey, Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher Ensey
Christopher Ensey
Chief Executive Officer

November 23, 2026

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of SOAR AI, Inc. (formerly known as Volato Group, Inc.), a Delaware corporation (the "Company"), on Form 10- Q for the three and nine months ended September 30, 2026, as filed with the Securities and Exchange Commission (the "Report"), Mark Heinen, Chief Financial Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark Heinen
Mark Heinen
Chief Financial Officer

November 23, 2026