

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

**Form 10-Q/A**  
(Amendment No. 1)

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

For the quarterly period ended September 30, 2025

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 001-42645**

**Arrive AI Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation or organization)

**9100 Fall View Drive Fishers, Indiana**  
(Address of principal executive offices)

**85-0935006**  
(I.R.S. Employer  
Identification No.)

**46037**  
(Zip code)

**(463) 270-0092**

(Registrant's telephone number, including area code)

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 the filing requirements for at least 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 and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or 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.

<b>Large Accelerated Filer</b>	<input type="checkbox"/>	<b>Accelerated filer</b>	<input type="checkbox"/>	<b>Non-accelerated filer</b>	<input checked="" type="checkbox"/>
<b>Smaller Reporting Company</b>	<input checked="" type="checkbox"/>	<b>Emerging growth company</b>	<input checked="" type="checkbox"/>		

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 Exchange Act).

Yes  No

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0002 per share	ARAI	The Nasdaq Stock Market LLC

The number of shares of the registrant's common stock, par value \$0.0002 per share, outstanding as of November 14, 2025, was 34,213,387.

## EXPLANATORY NOTE

Arrive AI, Inc. (“we,” “us,” “our,” “Arrive” and “the Company”) is filing this Amendment No. 1 to the Quarterly Report on Form 10-Q/A (“Form 10-Q/A”), to amend and restate the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025, as originally filed with the Securities and Exchange Commission (“SEC”) on November, 14 2025 (the “Original Form 10-Q”).

### Background of Restatement

Subsequent to the filing of the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, management, in consultation with the Company’s independent registered public accounting firm, identified errors in the accounting for certain hybrid financial instruments issued pursuant to the Securities Purchase Agreement, dated March 21, 2025, with Streeterville Capital, LLC.

Specifically, the Company determined that certain embedded conversion features should have been bifurcated from the related host instruments and accounted for as derivative liabilities at fair value in accordance with ASC 815. In addition, the Company determined that the original issue discount and debt issuance costs associated with the host instruments were not properly accreted using the effective interest method over the appropriate accretion period.

Accordingly, the Company is filing this Amendment No. 1 on Form 10-Q/A to restate its unaudited condensed financial statements as of and for the quarter ended September 30, 2025. The Company’s Audit Committee, in consultation with management, concluded that the previously issued financial statements included in the Original Form 10-Q should no longer be relied upon. See Note 1 to the unaudited condensed financial statements for additional information regarding the restatement and its impact on the Company’s financial statements.

See Part I, Item 4, Controls and Procedures, for information regarding management’s conclusions on disclosure controls and procedures and internal control over financial reporting.

### Items Amended in this Quarterly Report on Form 10-Q/A

This Form 10-Q/A amends and restates the following items of the Original Form 10-Q:

- Part I, Item 1 – Financial Statements: The condensed balance sheet as of September 30, 2025, the condensed statements of operations and comprehensive loss, the condensed statements of stockholders’ equity (deficit), and the condensed statements of cash flows for the three and nine months ended September 30, 2025, and the related notes to the condensed financial statements, have each been restated to reflect the corrections described above.
- Part I, Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations: Updated to reflect and discuss the restated financial results and the impact of the restatement on the Company’s financial condition, results of operations, and liquidity.
- Part I, Item 4 – Controls and Procedures: Updated to reflect management’s revised conclusions regarding the effectiveness of disclosure controls and procedures and ICFR as of September 30, 2025, including disclosure of the material weakness identified in connection with the restatement.
- Part II, Item 6 – Exhibits: Updated to include currently dated certifications of the Company’s principal executive officer and principal financial officer pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

Except as described above, this Form 10-Q/A does not amend, modify, or update any other disclosures contained in the Original Form 10-Q. This Form 10-Q/A continues to speak as of the date of the Original Form 10-Q, and the Company has not updated the disclosures contained herein to reflect events that occurred after the filing of the Original Form 10-Q, except as required to reflect the restatement described herein.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

ARRIVE AI INC.

CONDENSED BALANCE SHEETS  
(Unaudited)

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
	(As Restated)	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 816,715	\$ 129,318
Accounts receivable	4,900	-
Prepaid expenses	164,777	55,867
Deferred offering costs	-	427,898
Investments at fair value	1,918,995	-
Other current assets	721	4,179
Total current assets	<u>2,906,108</u>	<u>617,262</u>
<b>LONG-TERM ASSETS</b>		
Property and equipment, net	152,915	95,425
Right of use assets - operating leases	73,041	-
Patents, net	272,914	273,601
Deferred offering costs, net of current portion	6,302,586	-
Security deposit	1,500	1,500
Long-term assets	<u>6,802,956</u>	<u>370,526</u>
<b>TOTAL ASSETS</b>	<u>\$ 9,709,064</u>	<u>\$ 987,788</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 707,100	\$ 1,868,689
Accrued liabilities	205,398	79,556
Credit card payable	8,574	3,636
Current portion of operating lease liability	38,041	-
Convertible note payable, net of discount and debt issuance costs of \$2,522,944 and \$118,290, respectively	1,883,766	-
Derivative liabilities	1,140,000	-
Current portion of note payable	8,982	8,524
Total current liabilities	<u>3,991,861</u>	<u>1,960,405</u>
<b>NONCURRENT LIABILITIES</b>		
Noncurrent portion of operating lease liability	35,000	-
Note payables, net of current portion	3,763	10,558
Total liabilities	<u>4,030,624</u>	<u>1,970,963</u>
<b>Commitments and Contingencies (See Note 13)</b>		
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Common stock, \$0.0002 par value, 200,000,000 shares authorized, 34,233,087 issued and 34,213,387 outstanding at September 30, 2025, and 29,120,905 issued and outstanding at December 31, 2024	6,845	5,822
Treasury stock, at cost, 19,700 shares as of September 30, 2025	(74,743)	-
Additional paid-in capital	31,761,337	14,984,561
Subscription receivable	-	(53,003)
Accumulated deficit	(26,014,999)	(15,920,555)
Total stockholders' equity (deficit)	<u>5,678,440</u>	<u>(983,175)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<u>\$ 9,709,064</u>	<u>\$ 987,788</u>

See accompanying condensed notes to unaudited financial statements.

## ARRIVE AI INC.

CONDENSED STATEMENTS OF OPERATIONS  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(As Restated)		(As Restated)	
<b>REVENUE</b>	\$ 7,450	\$ -	\$ 98,175	\$ -
<b>OPERATING EXPENSES</b>				
General and administrative	1,370,346	791,639	6,739,384	2,395,881
Research and development	179,854	7,940	564,585	548,879
Sales and marketing	107,530	28,414	164,793	281,160
Total operating expenses	1,657,730	827,993	7,468,762	3,225,920
<b>OTHER INCOME (EXPENSES)</b>				
Other income	23,388	5,434	83,454	29,523
Interest expense and bank charges	(283,586)	(1,192)	(452,843)	(3,209)
Change in fair value of derivative liabilities	896,266	-	1,086,266	-
Amortization of debt discount	(88,295)	-	(116,033)	-
Loss on conversion of convertible notes payable	(3,295,072)	-	(3,295,072)	-
Realized gain on investments	46,491	-	46,491	-
Unrealized loss on investments	(76,120)	-	(76,120)	-
Total other income (expenses)	(2,776,928)	4,242	(2,723,857)	26,314
<b>NET LOSS BEFORE TAXES</b>	<u>(4,427,208)</u>	<u>(823,751)</u>	<u>(10,094,444)</u>	<u>(3,199,606)</u>
<b>PROVISION FOR INCOME TAXES</b>	-	-	-	-
<b>NET LOSS</b>	<u>\$ (4,427,208)</u>	<u>\$ (823,751)</u>	<u>\$ (10,094,444)</u>	<u>\$ (3,199,606)</u>
<b>NET LOSS PER SHARE:</b>				
Basic and diluted	\$ (0.13)	\$ (0.03)	\$ (0.32)	\$ (0.11)
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:</b>				
Basic and diluted	33,245,510	29,000,241	31,515,121	28,935,738

See accompanying condensed notes to unaudited financial statements.

## ARRIVE AI INC.

CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)  
For the Nine Months Ended September 30, 2025 and 2024 (Unaudited)

	<u>Number of Common Shares</u>	<u>Common Stock (\$)</u>	<u>Number of Treasury Shares</u>	<u>Treasury Stock (\$)</u>	<u>Additional Paid-In Capital,</u>	<u>Subscription Receivable (\$)</u>	<u>Accumulated Deficit (\$)</u>	<u>Total Stockholders' Equity (Deficit) (\$)</u>
<b>BALANCE, JANUARY 1, 2025</b>	29,120,905	\$ 5,822	-	\$ -	\$ 14,984,561	\$ (53,003)	\$ (15,920,555)	\$ (983,175)
Issuance of common stock, net	33,846	6	-	-	380,527	40,219	-	420,752
Issuance of common stock upon exercise of warrants	62,500	13	-	-	296,863	-	-	296,876
Issuance of common stock for deferred offering costs	532,913	107	-	-	6,927,762	-	-	6,927,869
Stock-based compensation	84,874	17	-	-	1,348,228	-	-	1,348,245
Net loss	-	-	-	-	-	-	(1,978,165)	(1,978,165)
<b>BALANCE, MARCH 31, 2025</b>	29,835,038	\$ 5,965	-	\$ -	\$ 23,937,941	\$ (12,784)	\$ (17,898,720)	\$ 6,032,402
Issuance of common stock, net	2,941,039	589	-	-	15,402	7,617	-	23,608
Issuance of common stock upon exercise of warrants	58,320	12	-	-	277,008	-	-	277,020
Issuance of common stock for options exercise	690	-	-	-	8,970	-	-	8,970
Issuance of common stock for settlement of debt	92,673	19	-	-	1,204,718	-	-	1,204,737
Reclassification of deferred offering costs	-	-	-	-	(871,882)	-	-	(871,882)
Issuance of common stock for commitment fee	62,500	12	-	-	828,113	-	-	828,125
Stock-based compensation	33,125	7	-	-	675,501	-	-	675,508
Net loss	-	-	-	-	-	-	(3,689,071)	(3,689,071)
<b>BALANCE, JUNE 30, 2025 (As Restated)</b>	33,023,385	\$ 6,604	-	\$ -	\$ 26,075,771	\$ (5,167)	\$ (21,587,791)	\$ 4,489,417
Issuance of common stock, net	-	-	-	-	(1,471)	5,167	-	3,696
Issuance of common stock for options exercise	83	-	-	-	299	-	-	299
Issuance of common stock for the conversion of convertible note payable	1,207,355	241	-	-	4,533,739	-	-	4,533,980
Reclassification of derivative liabilities upon conversion	-	-	-	-	1,733,734	-	-	1,733,734
Repurchase of common stock	-	-	19,700	(74,743)	-	-	-	(74,743)
Reclassification of deferred offering costs	-	-	-	-	(869,868)	-	-	(869,868)

Stock-based compensation	2,264	-	-	-	289,133	-	-	289,133
Net loss	-	-	-	-	-	-	(4,427,208)	(4,427,208)
<b>BALANCE, SEPTEMBER 30, 2025 (As Restated)</b>	<u>34,233,087</u>	<u>\$ 6,845</u>	<u>19,700</u>	<u>\$ (74,743)</u>	<u>31,761,337</u>	<u>\$ -</u>	<u>\$ (26,014,999)</u>	<u>\$ 5,678,440</u>
<b>BALANCE, JANUARY 1, 2024</b>	28,844,643	\$ 5,769		\$	\$ 10,924,624	\$ (25,505)	\$ (11,382,654)	\$ (477,766)
Issuance of common stock, net	75,343	15	-	-	824,603	(50,260)	-	774,358
Stock-based compensation	-	-	-	-	246,612	-	-	246,612
Net loss	-	-	-	-	-	-	(916,753)	(916,753)
<b>BALANCE, MARCH 31, 2024</b>	28,919,986	\$ 5,784	-	\$ -	\$ 11,995,839	\$ (75,765)	\$ (12,299,407)	\$ (373,549)
Issuance of common stock and warrants for cash, net	33,997	6	-	-	356,650	70,219	-	426,875
Stock-based compensation	11,787	2	-	-	359,001	-	-	359,003
Net loss	-	-	-	-	-	-	(1,459,102)	(1,459,102)
<b>BALANCE, JUNE 30, 2024</b>	28,965,770	\$ 5,792	-	\$ -	\$ 12,711,490	\$ (5,546)	\$ (13,758,509)	\$ (1,046,773)
Issuance of common stock and warrants	76,661	15	-	-	848,852	(18,418)	-	830,449
Stock-based compensation - stock awards	375	-	-	-	4,494	-	-	4,494
Stock-based compensation - stock options	-	-	-	-	270,011	-	-	270,011
Net loss	-	-	-	-	-	-	(823,751)	(823,751)
<b>BALANCE, SEPTEMBER 30, 2024</b>	<u>29,042,806</u>	<u>\$ 5,807</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 13,834,847</u>	<u>\$ (23,964)</u>	<u>\$ (14,582,260)</u>	<u>\$ (765,570)</u>

See accompanying condensed notes to unaudited financial statements.

## ARRIVE AI INC.

## CONDENSED STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2025 and 2024 (Unaudited)

	2025 <u>(As Restated)</u>	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (10,094,444)	\$ (3,199,606)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	2,322,155	880,120
Depreciation and amortization	31,048	21,792
Change in fair value of derivative liabilities	(1,086,266)	-
Loss on extinguishment of convertible note payable	3,295,072	-
Amortization of discount on convertible debt	116,033	-
Amortization of issuance costs on convertible debt	274,766	-
Realized gain on investments	(46,491)	-
Unrealized depreciation on investments	76,120	-
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	(4,900)	-
Prepaid expenses	(108,910)	(63,407)
Other current assets	3,458	-
Increase (decrease) in		
Accounts payable	43,148	408,485
Accrued liabilities	125,842	21,889
Credit card payable	4,938	(28,720)
Net cash used in operating activities	<u>(5,048,431)</u>	<u>(1,959,447)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Construction in progress	(87,850)	-
Proceeds from sales of investments	3,018,635	-
Purchase of investments	<u>(4,967,259)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,036,474)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from sale of common stock, net	448,056	2,031,682
Purchase of treasury stock	(74,743)	-
Proceeds from the exercise of warrants, net	573,896	-
Repayments of note payables	(6,337)	(5,914)
Proceeds from issuance of convertible debt	8,000,000	-
Debt issuance costs	(480,000)	-
Deferred offering costs	<u>(688,570)</u>	<u>(100,000)</u>
Net cash provided by financing activities	<u>7,772,302</u>	<u>1,925,768</u>
NET INCREASE (DECREASE) IN CASH	687,397	(33,679)
CASH, BEGINNING OF PERIOD	<u>129,318</u>	<u>325,472</u>
<b>CASH, END OF PERIOD</b>	<u>\$ 816,715</u>	<u>\$ 291,793</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for:		
Interest	\$ 175,640	\$ 1,277
Income taxes	\$ -	\$ -
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION</b>		
Common stock issued as payment of offering costs	\$ 6,927,869	\$ -
Common stock issued as settlement of legal expenses	\$ 1,204,737	\$ -
Common stock issued for the conversion of convertible note payable	\$ 4,533,980	\$ -
Derivative liabilities reclassified as additional paid-in capital upon conversion	\$ 1,733,734	\$ -
Deferred offering costs recognized as additional paid-in capital upon financing drawdown	\$ 1,741,750	\$ -
Cashless exercise of stock options	\$ 9,269	\$ -

See accompanying condensed notes to unaudited financial statements.

ARRIVE AI INC.

CONDENSED NOTES TO FINANCIAL STATEMENTS

For the nine months ended September 30, 2025  
(Unaudited)

1. NATURE OF OPERATIONS (AS RESTATED)

Arrive AI Inc. (the Company) was incorporated on April 30, 2020, in the State of Delaware as Dronedek Corporation. On July 27, 2023, Dronedek Corporation changed its name to Arrive Technology Inc. On September 27, 2024, Arrive Technology Inc. changed its name to Arrive AI Inc. The Company is a developmental technology company with a focus on designing and implementing a commercially viable smart mailbox for drone, robotic and human package receiving and storage.

The Company is subject to a number of risk similar to those of other companies of similar size in its industry, including, but not limited to, the need for successful development of products, the need for additional capital (or financing) to fund operating losses, competition from substitute products and services from larger companies, protection of proprietary technology, patent litigation, dependence on key individuals, and risks associated with changes in information technology.

Restatement of previously issued financial statements

Subsequent to the filing of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, management, in consultation with the Company's independent registered public accounting firm, identified errors in the accounting for certain hybrid financial instruments issued pursuant to the Securities Purchase Agreement, dated March 21, 2025, by and between the Company and Streeterville Capital, LLC.

Specifically, management determined that certain embedded conversion features contained in the Pre-Paid Purchases issued under the Securities Purchase Agreement should have been bifurcated from the related host instruments and accounted for as derivative liabilities at fair value at inception in accordance with ASC 815. In addition, management determined that the original issue discount and debt issuance costs associated with the host instruments were not properly accreted using the effective interest method over the appropriate accretion period. Management also determined that Commitment Shares issued in connection with the Pre-Paid Purchases should have been reflected in the determination of the carrying value of the related host instruments, rather than recognized immediately as general and administrative expense.

As a result of these errors, the Company understated derivative liabilities, misstated the carrying amount of the related host instruments, and incorrectly recorded certain related non-cash expenses in its previously issued unaudited condensed financial statements as of and for the quarter ended September 30, 2025. Accordingly, the Company has restated its unaudited condensed financial statements as of September 30, 2025 and for the three and nine months then ended.

The following tables summarize the effect of the restatement on the Company's previously issued unaudited condensed financial statements for the periods presented.

**CONDENSED BALANCE SHEETS — Effect of Restatement as of September 30, 2025**

	<u>As Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
<b>ASSETS</b>			
Deferred offering costs	\$ 6,312,586	\$ (6,312,586)	\$ —
Total current assets	9,218,694	(6,312,586)	2,906,108
Deferred offering costs	—	6,302,586	6,302,586
Long-term assets	500,370	6,302,586	6,802,956
Total assets	9,719,064	(10,000)	9,709,064
<b>LIABILITIES</b>			
Convertible note payable, net of discount and debt issuance costs of \$2,522,944 and \$118,290, respectively	4,002,333	(2,118,567)	1,883,766
Derivative liabilities	—	1,140,000	1,140,000
Total current liabilities	4,970,428	(978,567)	3,991,861
Total liabilities	5,009,191	(978,567)	4,030,624
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>			
Additional paid-in capital	29,602,998	2,158,339	31,761,337
Accumulated deficit	(24,825,227)	(1,189,772)	(26,014,999)
Total stockholders' equity (deficit)	4,709,873	968,567	5,678,440
Total liabilities and stockholders' equity (deficit)	9,719,064	(10,000)	9,709,064

1. NATURE OF OPERATIONS (AS RESTATED) (Continued)

CONDENSED STATEMENTS OF OPERATIONS — Effect of Restatement For the Three Months Ended September 30, 2025

	As Reported	Adjustments	As Restated
General and administrative	\$ 1,370,347	\$ (1)	\$ 1,370,346
Total operating expenses	1,657,731	(1)	1,657,730
Interest expense and bank charges	(580,021)	296,435	(283,586)
Change in fair value of derivative liabilities	—	896,266	896,266
Amortization of debt discount	—	(88,295)	(88,295)
Loss on conversion of convertible notes payable	—	(3,295,072)	(3,295,072)
Total other income (expense), net	(586,262)	(2,190,666)	(2,776,928)
Net (loss) before income taxes	(2,236,543)	(2,190,665)	(4,427,208)
Net (loss)	(2,236,543)	(2,190,665)	(4,427,208)
Net loss per share — basic and diluted	(0.07)	(0.06)	(0.13)

CONDENSED STATEMENTS OF OPERATIONS — Effect of Restatement For the Nine Months Ended September 30, 2025

	As Reported	Adjustments	As Restated
General and administrative	\$ 7,551,884	\$ (812,500)	\$ 6,739,384
Total operating expenses	8,281,262	(812,500)	7,468,762
Interest expense and bank charges	(775,410)	322,567	(452,843)
Change in fair value of derivative liabilities	—	1,086,266	1,086,266
Amortization of debt discount	—	(116,033)	(116,033)
Loss on conversion of convertible notes payable	—	(3,295,072)	(3,295,072)
Total other income (expense), net	(721,585)	(2,002,272)	(2,723,857)
Net loss before income taxes	(8,904,672)	(1,189,772)	(10,094,444)
Net loss	(8,904,672)	(1,189,772)	(10,094,444)
Net loss per share — basic and diluted	(0.28)	(0.04)	(0.32)

CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) — Effect of Restatement For the Six and Nine months ended June 30, 2025 and September 30, 2025

As of June 30, 2025

Additional paid-in capital, net of offering costs	\$ 26,060,146	\$ 15,625	\$ 26,075,771
Accumulated deficit	(22,588,684)	1,000,893	(21,587,791)
Total stockholders' equity (deficit)	3,472,899	1,016,518	4,489,417

As of September 30, 2025

Additional paid-in capital, net of offering costs	\$ 29,602,998	\$ 2,158,339	\$ 31,761,337
Accumulated deficit	(24,825,227)	(1,189,772)	(26,014,999)
Total stockholders' equity (deficit)	4,709,873	968,567	5,678,440

CONDENSED STATEMENTS OF CASH FLOWS — Effect of Restatement For the Nine Months Ended September 30, 2025

	As Reported	Adjustments	As Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	\$ (8,904,672)	\$ (1,189,772)	\$ (10,094,444)
Stock-based compensation	3,134,655	(812,500)	2,322,155
Change in fair value of derivative liabilities	—	(1,086,266)	(1,086,266)
Loss on conversion of convertible notes payable	—	3,295,072	3,295,072
Amortization of discount on convertible debt	357,333	(241,300)	116,033
Amortization of issuance costs on convertible debt	240,000	34,766	274,766
Net cash used in operating activities	(5,048,431)	—	(5,048,431)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of convertible notes payable	7,530,000	470,000	8,000,000
Debt issuance costs	—	(480,000)	(480,000)
Deferred offering costs	(698,570)	10,000	(688,570)
Net cash provided by financing activities	7,772,302	—	7,772,302
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION</b>			
Common stock issued for conversion of convertible notes payable	—	4,533,980	4,533,980
Derivative liabilities reclassified as additional paid-in capital upon conversion of convertible notes payable	—	1,733,734	1,733,734

There was no impact to total cash and cash equivalents as of September 30, 2025 as a result of the restatement. The restatement had no effect on the Company's revenue for any period presented.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The financial statements (unaudited) have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) and with the instructions to Form 10-Q of Regulation S-K. These unaudited financial statements should be read in conjunction with the Company's audited financial statements and related notes thereto for the year ended December 31, 2024. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements that would substantially duplicate the disclosures contained in the audited financial statements for the fiscal year ended December 31, 2024, have been omitted.

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

Concentration of Credit Risk

The Company maintains its cash balances at two financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a specified limit. The Company's balances at the financial institutions periodically exceed federally insured limits. At September 30, 2025 and December 31, 2024, the Company's uninsured cash balances totaled approximately \$541,775 and \$0, respectively.

Management believes that the Company is not exposed to any significant risk concerning its cash balances. To date, the Company has not recognized any losses caused by uninsured balances.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are customer obligations due under normal trade terms, which are typically due upon receipt of the invoice. Credit is extended based on evaluation of a customer's financial condition and collateral is not required. Accounts receivable are stated at amounts due from customers net of an allowance for credit losses. The Company recognizes an allowance for expected credit losses at each balance sheet date. This estimate is derived from a review of the Company's historical losses based on the aging of receivables. Receivables with similar risk characteristics are pooled for the estimation of expected credits losses. Management adjusts its historical estimate based on its assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Company. At each reporting date, the Company updates its estimate of expected credit losses to reflect any changes in credit risk since the receivable was initially recorded.

The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in earnings in the year of recovery, in accordance with the entity's accounting policy election. The Company has not incurred material write-offs as a whole for the nine months ended September 30, 2025. Based upon the information available, no allowances for credit losses has been recorded as the Company believes the balance is fully collectable.

Property and Equipment

The property and equipment is recorded at cost. The Company's policy is to depreciate the cost of the property and equipment using the straight-line method over the estimated useful life of the asset. The costs of maintenance and repairs are charged to expense when incurred (none noted in the current or prior year as it relates to vehicles). The useful life of the property and equipment for purposes of computing depreciation is:

	<u>Useful Life</u>
Vehicles and Equipment	2-5 years

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Intangible Assets – Patents

The Company capitalizes external costs, such as filing fees, registration documentation, and attorney fees associated with the application and issuance of patents. The Company expenses costs associated with maintaining and defending patents subsequent to issuance in the period incurred. The Company amortizes capitalized patent costs for internally generated patents on a straight-line basis over 20 years or the period in which the goods associated with the patent will be revenue-generating, which represents the estimated useful lives of the patents. The estimated useful lives for internally generated patents are based on the assessment of the following factors: the integrated nature of the patent portfolios being licensed (including the ability of the patent to generate viable goods and revenues), the overall makeup of the patent portfolio over time, and the length of license agreements for such patents. The Company assesses the potential impairment of all capitalized patent costs when events or changes in circumstances indicate that the carrying amount of the Company's patent portfolio may not be recoverable.

Impairment of Long-Lived Assets

Intangibles and other long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of any long-lived asset may not be fully recoverable. In the event that facts and circumstances indicate that the carrying amount of any long-lived assets may be impaired, an evaluation of recoverability is performed. If an evaluation was required, the estimated future undiscounted cash flows associated with the asset (or group of assets) would be compared to the assets' (or group of assets') carrying amount to determine if a write-down to fair value is required on the basis of the assets' associated undiscounted cash flows.

The Company has three types of long-lived assets: property and equipment, including operational Arrive Point units, vehicles, office equipment, and aerial drones; construction-in-progress (CIP), and intangible patent assets including those acquired by the acquisition of Airbox Technology in 2023. The vehicles and drone hexacopter were evaluated for impairment, and no impairments were considered necessary as of September 30, 2025.

The Company acquired three "Gen 3" (or "AP3") Arrive Point units in December 2024, and four in April 2025. These units are recorded as construction in progress until they are placed into service. Six units have been delivered to customer sites, four of which have been placed into revenue service and are being depreciated on a straight-lined basis over two years. One unit not yet entered into service was damaged beyond repair. An impairment loss of \$10,541 was recognized as of September 30, 2025. No impairment loss on these units was recognized as of September 30, 2024.

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. Revenue is derived from consulting and implementation services provided to clients and recurring subscription services for access to the Arrive Point network. Revenue is recognized over time as services are performed, based on the transfer of control to the customer. Contracts are typically short-term in nature and do not contain significant variable consideration or multiple performance obligations.

Disaggregated revenue as of the three and nine months ended September 30, 2025 is as follows:

<u>Revenue source</u>	Three Months Ended September 30	Nine Months Ended September 30
Consulting services	\$ -	\$ 89,000
Installation services	2,175	3,675
Subscription fees	5,275	5,500
<b>TOTAL REVENUE</b>	<b>\$ 7,450</b>	<b>\$ 98,175</b>
<u>Timing of Revenue Recognition</u>		
Services transferred over time	\$ 5,275	\$ 94,500
Services transferred at a point in time	2,175	3,675
<b>TOTAL REVENUE</b>	<b>\$ 7,450</b>	<b>\$ 98,175</b>

The Company did not generate revenue during the three and nine months ended September 30, 2024.

Various economic factors affect the recognition of revenue and cash flows including availability of skilled labor and prompt payment by customers. The Company did not generate revenue during the three or nine months ended September 30, 2024. As such, no comparative disaggregation is presented for that period.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the balance sheet. The Company may request advances or deposits from customers before revenue is recognized, which results in contract liabilities. These contract liabilities are released as the performance obligations are satisfied.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Contract Balances (continued)

As of September 30, 2025, there were no such liabilities or contract assets included within the balance sheet. The beginning and ending contract balances were as follows:

	<u>September 30, 2025</u>	<u>January 1, 2025</u>
Accounts receivable	\$ 4,900	\$ -

Significant Judgments and Estimates

There are no significant judgments involved in the recognition of revenue from the services provided by the Company.

Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and develop a commercially viable drone delivery system. These equity financing transactions involve the issuance of common stock and may include equity warrants.

Equity warrants are instruments that bestow upon the holder of the instrument the right to buy a particular stock at a predetermined price within a stipulated time frame. Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 480, the Company classified the warrants as equity instruments.

Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at an agreed-upon price, as defined in the Stock and Warrant Purchase Agreement (“the agreement”) prior to the expiration of the warrants as stipulated by the terms of the transaction in the agreement.

The shares eligible for issuance under the outstanding warrants were registered under the Securities Act of 1933 on July 28, 2025.

Treasury Stock

In September 2025, the Board of Directors authorized the Company to repurchase shares of common stock. The Company repurchased 19,700 shares for \$74,743 during the nine months ended September 30, 2025. The stock is held in Treasury and recorded using the cost method.

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Loss per share

The Company follows FASB ASC 260, "Earnings per Share," resulting in the presentation of basic and diluted earnings per share. Because the Company reported a net loss for the three and nine months ended September 30, 2025 and 2024, common stock equivalents, including stock options and warrants were anti-dilutive; therefore, the amounts reported for basic and dilutive loss per share were the same. See footnotes 16 and 17 for the details on these instruments.

Comprehensive Loss

The Company follows FASB ASC 220.10, "Reporting Comprehensive Income (Loss)." Comprehensive loss is a more inclusive financial reporting methodology that includes disclosure of certain financial information that historically has not been recognized in the calculation of net loss. Since the Company has no items of other comprehensive loss, comprehensive loss is equal to net loss.

Offering Costs

The Company complies with the requirements of FASB ASC 340-10-S99-1 and SEC Staff Accounting Bulletin ("SAB") Topic 5A - *Expenses of Offering*. During the three and nine months ended September 30, 2025, the Company recognized \$0 and \$7,626,439, respectively, in deferred offering costs related to ongoing and anticipated capital raising activities. These costs primarily consisted of legal, advisory, and other professional service fees incurred in connection with financing efforts.

During the nine months ended September 30, 2025, the Company raised gross proceeds of \$9,037,007, which included \$8,650,000 under prepaid purchase agreements and \$387,007 through a crowdfunding offering. Of the total deferred offering costs recognized, \$869,868 and \$1,741,750 were allocated and recognized as a reduction of proceeds raised under the prepaid purchase agreements for the three and nine months ended September 30, 2025, respectively, based on a pro-rata allocation of total expected funding (Note 9 and 12). In addition, \$1,471 and \$91,543 of offering costs were directly associated with the crowdfunding raise and were recognized as a reduction to the related proceeds for the three and nine months ended September 30, 2025, respectively.

The remaining deferred offering costs are included as current asset on the balance sheet and will be recognized as a reduction to additional paid-in capital upon completion of the related equity offerings.

Research and Development

Research and development (R&D) costs, that do not meet the criteria for capitalization are expensed as incurred. Research and development expenses include fees paid to outside consultants for the Company's proprietary technology.

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Research and Development (Continued)

For the three and nine months ended September 30, 2025, and 2024, the Company had R&D costs totaling \$179,854 and \$564,585 and \$7,940 and \$548,879, respectively.

Marketing Expenses

The Company uses various marketing methods to create brand awareness to promote and alert the public about future product and service offerings to generate future capital or revenue when a viable product is created. The Company's policy is to charge marketing costs to expenses in the period they are incurred.

Marketing expenses were \$107,530 and \$164,793 and \$28,414 and \$281,160 for the three and nine months ended September 30, 2025 and 2024, respectively.

Stock-Based Compensation

The Company measures and records the expense related to stock-based payment awards based on the fair value of those awards as determined on the date of the grant. The Company recognizes stock-based compensation expense over the requisite service period of the individual grant, generally equal to the vesting period, and uses the straight-line method to recognize stock-based compensation, as applicable. For stock-based compensation with performance conditions, the Company records compensation expenses when the performance condition is met. The Company uses the Black-Scholes model to estimate the fair value of stock options and forfeitures are accounted for when incurred.

The average fair value of one (1) share of the Company's common stock was determined to be \$13.00 for the period of January 1, 2025 to May 15, 2025 and \$12.71 as of December 31, 2024. On May 15, 2025, the Company completed its initial public offering and its common stock began trading on the Nasdaq Stock Exchange. Subsequent to May 15, 2025, the price of the Company's common stock was determined by the Nasdaq daily closing stock price.

Prior to May 15, 2025, the fair value of common stock is based on the prior Company's transaction method. The prior company transaction method utilizes actual transactions in the Company's non-controlling, non-marketable private company equity interests. Therefore, the result is reflective of a non-controlling, non-marketable private company value and no discount for lack of control or marketability was considered necessary in the application of this methodology. As part of this methodology, there are a number of limiting assumptions, however, management believes it appropriately represents the fair market value indication for one (1) share of the Company's common stock. Since, prior to May 15, 2025, the Company's stock was not publicly traded, the expected volatility is based on the historical and implied volatility of similar companies whose stock or option prices are publicly available, after considering the industry, stage of the life cycle, size, market capitalization, and financial leverage of the other companies.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

There is no income tax benefit for the losses for the three and nine months ended September 30, 2025 and 2024 since management has determined that the realization of the net deferred tax asset is not assured and has created a valuation allowance for the entire amount of such benefits.

The Company's policy is to record interest and penalties associated with unrecognized tax benefits as additional income taxes in the statement of operations. As of January 1, 2025, the Company had no unrecognized tax benefits, or any tax related interest or penalties, and it does not expect significant changes in the amount of unrecognized tax benefits to occur within the next twelve months. There were no changes in the Company's unrecognized tax benefits during the three and nine month period ended September 30, 2025. The Company did not recognize any interest or penalties during 2025 related to unrecognized tax benefits.

With few exceptions, the U.S. and state income tax returns filed for the tax years ending on December 31, 2021 and thereafter are subject to examination by the relevant taxing authorities. Net operating loss (NOL) carryforwards are subject to examination in the year they are utilized regardless of whether the tax year in which they are generated has been closed by the statute. The amount subject to disallowance is limited to the NOL utilized. Accordingly, the Company may be subject to examination for prior NOLs generated as such NOLs are utilized.

Convertible Notes Payable and Derivative Liabilities (As Restated)

The Company accounts for convertible notes in accordance with ASC 470, *Debt*, and ASC 815, *Derivatives and Hedging*. At issuance, the Company evaluates each convertible note to determine whether any embedded features must be bifurcated and accounted for separately as a derivative liability.

If an embedded conversion feature fails the indexed-to-own-stock test under ASC 815-40-15, because the conversion price is determined by a path-dependent formula rather than a fixed price or a current observable price, the conversion feature is bifurcated from the host debt instrument and recognized as a derivative liability at fair value on the issuance date. The host debt instrument is then recorded at an initial carrying value equal to the cash proceeds received, reduced by (i) the original issue discount ("OID"), (ii) the fair value of the bifurcated derivative liability at issuance, and (iii) debt issuance costs allocable to the host instrument.

When an embedded derivative is bifurcated from a convertible note at issuance, the Company initially records the derivative liability at fair value, with the residual proceeds allocated to the host debt instrument, consistent with ASC 835-30 and ASC 815. Debt issuance costs are allocated consistently with this initial measurement approach. The portion of issuance costs allocated to the derivative liability is expensed immediately in the period of issuance. The portion of issuance costs allocated to the host debt instrument is recorded as a contra-debt balance (debt issuance costs) and amortized to interest expense over the expected term of the note using the effective interest method ("EIM").

The combined discount on each host debt instrument consisting of OID, the fair value of the bifurcated derivative at issuance, and allocated debt issuance costs is accreted to the face amount of the note using the EIM over the expected term of each note in accordance with ASC 835-30.

Where a convertible note has no stated maturity date, the Company estimates the expected term based on management's best estimate of the period over which the debt is expected to remain outstanding, considering the economic substance of the instrument, the contractual terms, the expected timing and pattern of conversion or settlement, and other relevant facts and circumstances. The expected term used for accretion of the host debt instrument is applied consistently with the expected term used in valuing any bifurcated embedded derivative. This estimate is reassessed when facts and circumstances indicate a change may be warranted.

Bifurcated derivative liabilities are recognized at fair value on the issuance date of the applicable convertible note and are subsequently remeasured at fair value at each reporting date and at each conversion date, in accordance with ASC 815. Changes in fair value are recognized in earnings as a gain or loss on change in fair value of derivative liabilities and are presented as a separate line item within other income (expense) in the statement of operations.

When the conversion feature's fair value cannot be estimated using a closed-form solution because the conversion price is based on a formula that incorporates path-dependent inputs, the Company estimates fair value using a Monte Carlo simulation model. The model simulates a large number of potential stock price paths and computes the expected present value of the conversion payoff under each path. The significant unobservable inputs used in the Monte Carlo simulation include the expected equity volatility, expected instrument term, risk-free rate, and debt discount rate. These instruments are classified within Level 3 of the fair value hierarchy established under ASC 820, *Fair Value Measurement*, because their valuation relies on significant unobservable inputs. See NOTE 5 for a description of the valuation methodology and significant assumptions.

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

When a noteholder elects to convert a portion or all of a convertible note into shares of common stock, the Company accounts for the conversion as follows:

The pro-rata portion of the carrying value of the host debt instrument, including the related pro-rata unamortized OID and pro-rata unamortized debt issuance costs, is derecognized upon conversion. If the carrying amount of the net host instrument differs from the consideration transferred, the difference is recognized as a gain or loss on conversion of debt in accordance with ASC 470-50.

The pro-rata portion of the bifurcated derivative liability attributable to the converted principal is remeasured to fair value as of the conversion date. The change in fair value from the most recent prior remeasurement date to the conversion date is recognized in earnings as a gain or loss on change in fair value of derivative liability. Upon conversion of the convertible notes payable, the pro-rata portion of the remeasured fair value of the derivative liability is then derecognized from the balance sheet with a credit to additional paid-in capital.

**Fair Value of Financial Instruments (As Restated)**

The Company measures fair value in accordance with ASC 820, Fair Value Measurement, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of the Company's short-term financial instruments, including cash, accounts receivable, accounts payable, and accrued liabilities approximate their fair values due to their short-term nature.

The host portion of convertible note payable, excluding the separately recognized bifurcated derivative liabilities, are carried at amortized cost using the effective interest method as disclosed in NOTE 5. The bifurcated derivative liabilities associated with the convertible notes are carried at fair value on a recurring basis and classified within Level 3 of the fair value hierarchy. See NOTE 5 for a full description of the fair value measurement methodology, significant unobservable inputs, and the roll-forward of the derivative liabilities balance.

The vehicle note payable is carried at amortized cost. The estimated fair value of this instrument approximates its carrying value due to the interest rate approximating current market rates for similar collateralized borrowings.

**Recently Adopted Accounting Standard**

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which requires incremental disclosures about reportable segments but does not change the definition of a segment or the guidance for determining reportable segments. The requirements are effective for annual reporting periods beginning on January 1, 2024, and are required to be applied retrospectively. The Company has adopted the additional disclosure requirements under ASU 2023-07. The additional requirements did not have a material impact on the financial statements.

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Recently Issued Accounting Standard Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, ASC Subtopic “Disaggregation of Income Statement Expenses (ASC 220-40): Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures”. The amendments require additional disclosure of the nature of expenses included in the income statement. The amendments in this update are effective for public business entities for fiscal years, beginning after December 15, 2026. Early adoption is permitted. The Company is currently assessing the impact of the adoption of this standard on its financial statements.

**3. SEGMENT REPORTING**

The Company’s principal business is described in Note 1. The Company has determined that it operates in a single operating and reportable segment. The Company’s Chief Financial Officer is designated as the chief operating decision maker (“CODM”). The CODM evaluates the business as a whole and does not receive discrete financial information for separate business units. The CODM is responsible for evaluating financial results and making resource allocation decisions.

Significant Segment Expenses

The Company considers the following as significant expenses in evaluating its segment performance:

- Research and Development: Includes costs related to materials and supplies, prototype hardware development, and third-party consulting costs.
- General and Administrative: Includes personnel costs, contractor expenses, and other overhead expenses.
- Legal and Professional Fees: Includes the cost of legal services to expand and maintain the Company’s patent portfolio, fees associated with various business transactions, and compliance with regulatory requirements.

Entity-Wide Disclosures

- Geographic Revenue Information: For both the three and nine months ended September 30, 2025, 100% of the Company’s net sales were generated in the United States.
- Major Customers: The Company has one customer that accounted for 10% or more of total revenue.

The Company did not generate revenue during the three and nine months ended September 30, 2024.

**4. GOING CONCERN (AS RESTATED)**

The Company’s financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustment relating to recoverability and classification of recorded amounts of assets and liabilities that might be necessary if the Company is unable to continue as a going concern.

The Company has a minimum cash balance available for payment of ongoing operating expenses. As of September 30, 2025, the Company has an accumulated deficit of \$26,014,999 and a net loss for the current period of \$10,094,444. These conditions raise substantial doubt about the Company’s ability to continue as a going concern for a period of twelve months from the issuance date of this report.

The Company’s continued existence is dependent upon its ability to continue to execute its operating plan and to obtain additional debt or equity financing. There can be no assurance that the necessary debt or equity financing will be available or will be available on terms acceptable to the Company. These financial statements do not include any adjustments that might result from the Company’s inability to continue as a going concern

**5. FAIR VALUE MEASUREMENTS (AS RESTATED)**

The Company accounts for fair value measurements in accordance with ASC 820, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level hierarchy for inputs used in measuring fair value:

- **Level 1** — Quoted prices in active markets for identical assets or liabilities
- **Level 2** — Observable inputs other than quoted prices included in Level 1
- **Level 3** — Unobservable inputs supported by little or no market activity

The Company measures its bifurcated derivative liabilities associated with its convertible notes at fair value on a recurring basis, see NOTE 12. These instruments are classified within Level 3 of the fair value hierarchy because their valuation relies on significant unobservable inputs, including expected equity volatility, expected term, and debt discount rates.

The following table presents the Company’s financial liabilities measured at fair value on a recurring basis:

<b>Description</b>	<b>Level</b>	<b>September 30, 2025</b>
Investments at fair value	1	\$ 1,918,995
Derivative liabilities	3	\$ 1,140,000

The carrying amounts of cash, accounts receivable, accounts payable, and accrued liabilities approximate fair value due to their short-term nature.

Derivative Liabilities

In connection with the convertible notes issued under the Securities Purchase Agreement with Streeterville Capital, LLC, as described in NOTE 12, the Company bifurcated the embedded conversion feature from each note and recognized it as a derivative liability under ASC 815. Each derivative liability is initially recognized at fair value on the issuance date of the respective convertible note and is subsequently remeasured at fair value at each reporting date and each conversion date. Changes in fair value are recognized in the statement of operations.

The Company estimates the fair value of each derivative liability using a Monte Carlo simulation model, which simulates a large number of potential stock price paths and computes the expected present value of the conversion payoff under each path.

5. FAIR VALUE MEASUREMENTS (AS RESTATED) (Continued)

Valuation Inputs and Basis of Significant Assumptions

The following inputs were used in the Monte Carlo simulation at each instrument inception measurement date:

Input	Derivative 1 (Convertible Note 1)	Derivative 2 (Convertible Note 2)
Assumed instrument term	3.0 years	3.0 years
Stock price	\$ 13.25	\$ 6.78
Selected equity volatility	135%	130%
Risk-free rate (continuous compounded, 3-year)	3.91%	3.68%
Debt discount rate (3-year)	25.72%	28.69%

The following inputs were used in the Monte Carlo simulation to remeasure the derivative liabilities at each reporting date:

Input	6/30/2025	9/30/2025
Assumed instrument term	3.0 years	3.0 years
Stock price	\$ 11.68	\$ 3.64
Selected equity volatility	135%	145%
Risk-free rate (continuous compounded, 3-year)	3.65%	3.58%
Debt discount rate (3-year)	28.93%	26.00%

The following range of inputs were used in the Monte Carlo simulation to remeasure the derivative liabilities at conversion dates (derivatives with multiple conversions are presented with the range of inputs):

Input	Derivative 1 (Convertible Note 1)	Derivative 2 (Convertible Note 2)
Assumed instrument term	3.0 years	3.0 years
Stock price	\$3.18-6.78	\$ 3.45
Selected equity volatility	130-155%	145%
Risk-free rate (continuous, 3-year)	3.45-3.68%	3.54%
Debt discount rate (3-year)	25.66-28.69%	25.91%

As described in NOTE 12, the convertible notes have no stated maturity. The Company estimated an expected term of three years based on the timing of expected draws from the SPA, the economic structure of the SPA, the conversion mechanics, and its assessment of expected noteholder conversion behavior. This estimate is reassessed at each remeasurement date.

In the above table, the Company disclosed a range of closing day stock prices, historical volatilities, risk-free rates, and debt discount rates used as model inputs for conversion calculations, if the note had multiple conversions during the period. Convertible Note 1 had multiple conversions, which fell on the following dates: August 11, 2025, August 25, 2025, August 29, 2025, September 9, 2025, and September 17, 2025. Convertible Note 2 had one conversion on September 23, 2025.

The Company estimated expected equity volatility using the historical volatility of a peer group of comparable-stage companies operating in the autonomous vehicle, robotics, and AI/logistics technology industries, supplemented by the Company's own limited trading history.

The risk-free rate was derived from the continuously compounded yield on U.S. Treasury securities with a remaining term approximately equal to the assumed instrument term, observed as of each measurement date.

5. FAIR VALUE MEASUREMENTS (AS RESTATED) (Continued)

The debt discount rate represents the Company's estimated cost of non-convertible debt with terms comparable to the convertible notes. This rate was calibrated using observable market data for similarly situated issuers in the Company's industry and credit profile, adjusted for the specific terms of the SPA.

Sensitivity of Level 3 Fair Value Measurements

Because the derivative liabilities are valued using significant unobservable inputs, their fair value measurements are classified within Level 3. Changes in those inputs can have a material effect on the reported fair value. The table below describes the directional sensitivity of the derivative liability fair value to changes in the most significant unobservable inputs, holding all other inputs constant:

Input	Direction of Change	Effect on Fair Value
Equity volatility	Increase (decrease)	Increase (decrease)
Expected term	Increase (decrease)	Increase (decrease)
Debt discount rate	Increase (decrease)	Decrease (increase)
Stock price	Increase (decrease)	Increase (decrease)

Equity volatility is the most significant unobservable input. The conversion feature has an asymmetric payoff structure (the noteholder benefits from lower stock prices that produce a lower conversion price under the Lookback Formula, subject to the \$0.25 floor), and higher volatility generally increases the expected value of that optionality. A hypothetical 10 percentage point increase or decrease in assumed volatility, holding other inputs constant, would result in a directionally significant change in the fair value of the derivative liabilities; however, the magnitude of such change depends on the then-current stock price relative to the conversion price range and cannot be quantified without reference to the applicable simulation outputs. Management considers the volatility assumption to be the key source of estimation uncertainty in the Level 3 measurement.

Expected term affects the number of simulated conversion opportunities and the present value weighting of simulated payoffs; a longer term increases the value of the conversion optionality. Debt discount rate affects the discount applied to the simulated payoffs; a higher rate reduces present value.

The interrelationship between equity volatility and stock price should also be noted: at lower stock prices, the conversion discount embedded in the Lookback Formula produces larger absolute payoffs per share for the noteholder, and higher volatility amplifies this effect. The \$0.25 floor price limits downside exposure in scenarios where the stock price falls significantly.

Derivative Liabilities Roll-Forward

The following table provides a reconciliation of the derivative liabilities measured at fair value using Level 3 inputs for the year ended December 31, 2025:

	Convertible Note 1	Convertible Note 2	Total
Balance at January 1, 2025	\$ —	\$ —	\$ —
Derivative liabilities recognized upon issuance of convertible note payable at fair value	2,250,000	—	2,250,000
Change in fair value — period-end remeasurement (June 30, 2025)	(190,000)	—	(190,000)
Balance on June 30, 2025	2,060,000	—	2,060,000
Derivative liabilities recognized upon issuance of convertible note payable at fair value	—	1,710,000	1,710,000
Reclassification of derivative liabilities upon conversion of convertible notes payable	(1,427,021)	(306,713)	(1,733,734)
Change in fair value of derivative liabilities – conversion remeasurement	(424,642)	(650,000)	(1,074,642)
Change in fair value — period-end remeasurement (September 30, 2025)	161,663	16,713	178,376
<b>BALANCE AT SEPTEMBER 30, 2025</b>	<b>\$ 370,000</b>	<b>\$ 770,000</b>	<b>\$ 1,140,000</b>

The total net change in fair value of derivative liabilities recognized in the statement of operations for the three and nine months ended September 30, 2025, was a gain of \$896,266 and \$1,086,266, respectively, presented within "Change in fair value of derivative liabilities" in the accompanying statement of operations. There was no comparable activity during the year ended December 31, 2024.

**5. FAIR VALUE MEASUREMENTS (AS RESTATED) (Continued)**

Amounts reclassified upon conversion represent the fair value of the pro-rata portion of each derivative liability, remeasured as of the applicable conversion date and derecognized in connection with the settlement of the related converted principal. The change in fair value through the conversion date is included in "Change in fair value of derivative liabilities - conversion remeasurement" in the table above. For a description of the full conversion accounting policy, including the treatment of the host debt component upon conversion, see NOTE 12.

Investments

During the nine months ended September 30, 2025, the Company held exchange-traded equity securities and written call options that were measured at fair value on a recurring basis and classified within Level 1 of the fair value hierarchy.

**6. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	September 30, 2025	December 31, 2024
Vehicles	\$ 94,751	\$ 58,443
Equipment	115,784	50,000
Construction in progress	23,914	38,155
<b>Total property and equipment</b>	<b>234,449</b>	<b>146,598</b>
Less: accumulated depreciation	(81,534)	(51,173)
<b>TOTAL PROPERTY AND EQUIPMENT, NET</b>	<b>\$ 152,915</b>	<b>\$ 95,425</b>

For the three and nine months ended September 30, 2025 and 2024, total depreciation expense was \$13,695 and \$30,360 and \$7,089 and \$21,215, respectively.

**7. PREPAID EXPENSES**

Prepaid expenses and other current assets consist of the following:

	September 30, 2025	December 31, 2024
Prepaid payroll wages	\$ 38,271	\$ 38,271
Prepaid insurance	74,929	10,017
Prepaid software and other	51,577	7,579
<b>TOTAL PREPAID EXPENSES</b>	<b>\$ 164,777</b>	<b>\$ 55,867</b>

8. LEASES

The Company leases ground robots from a third-party, which are implemented in customer solutions. The robots are used on delivery routes to transport goods between Arrive Point units.

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. The Company's assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Company obtains the right to substantially all the economic benefit from the use of the asset throughout the term, and (3) whether the Company has the right to direct the use of the asset. The Company allocates the consideration in the contract to each lease and non-lease component based on the component's relative stand-alone price to determine the lease payments. Lease and non-lease components are accounted for separately.

Leases are classified as either finance leases or operating leases based on criteria in Topic 842. The Company has operating leases which are generally comprised of distinctly identified assets (ground robots) whereby the Company derives all economic benefits through customer contracts for use of the service through the term of the contract. The Company may elect to purchase the assets for a residual value at the end of the lease term.

At lease commencement, the Company records a lease liability equal to the present value of the remaining lease payments, discounted using the rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. A corresponding right-of-use asset ("ROU asset") is recorded, measured based on the initial measurement of the lease liability. ROU assets also include any lease payments made and exclude lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

Lease expense for operating leases, consisting of lease payments, is recognized on a straight-line basis over the lease term. Included in lease expense are any variable lease payments incurred in the period that were not included in the initial lease liability. Lease expense for finance leases consists of the amortization of the ROU asset on a straight-line basis over the shorter of the useful life of the asset or the lease term, and interest expense is calculated using the effective interest rate method.

The following is a summary of the lease cost recognized in the Company's consolidated statement of operations:

	Three months ended September 30, 2025	Nine months ended September 30, 2025
Operating Leases		
Lease cost in general and administrative expense		
Operating lease expense	\$ 8,195	\$ 8,195
Total lease cost in general and administrative expense	\$ 8,195	\$ 8,195

**8. LEASES (Continued)**

The following is a summary of the impact of the Company's leases on the statements of cash flows:

	Three months ended September 30, 2025	Nine months ended September 30, 2025
Leasing activity in cash flows from operating activities		
Operating leases	\$ 12,600	\$ 12,600
Total leasing activity in cash flows from operating activities	<u>\$ 12,600</u>	<u>\$ 12,600</u>

The weighted-average remaining lease term in years and weighted-average discount rate for operating leases at September 30, 2025 is 1.75 and 23.70%.

The future minimum lease payments required under the Company's leases as of September 30, 2025 are as follows:

Future minimum lease payments		
2025		\$ 50,400
2026		37,800
Total future minimum lease payments		88,200
Less: Amount representing interest		(15,159)
Present value of lease liabilities		73,041
Less: current portion		(38,041)
Long-term portion		<u>\$ 35,000</u>

**9. DEFERRED OFFERING COSTS**

Pursuant to ASC 340-10-S99-1, costs directly attributable to an offering of equity securities are deferred and would be charged against the gross proceeds of the offering. Deferred offering costs consist of underwriting, legal, accounting, and other expenses incurred through the balance sheet date that are directly related to the proposed public offering. The Company's registration statement was declared effective and the stock began trading on May 15, 2025. During the three months ended March 31, 2025, the Company issued 532,913 shares of common stock in exchange for investment banking advisory services with a fair value of \$6,927,869, which was recorded as deferred offering costs. During the six months ended June 30, 2025, the Company recorded an additional \$698,570 for filing and legal fees related to the transaction. As of September 30, 2025, \$1,741,750 of the deferred offering costs have been recorded as a reduction of the proceeds, in proportion to the funds received from the offering, which were recognized in additional paid-in capital.

**10. PATENTS, NET**

Patents consist of the following:

	September 30, 2025	December 31, 2024
Patents	\$ 274,700	\$ 274,700
Less: accumulated amortization	(1,786)	(1,099)
<b>TOTAL PATENTS</b>	<b>\$ 272,914</b>	<b>\$ 273,601</b>

As of September 30, 2025, six of the Company's fifty-seven international patents were issued and began being amortized over twenty years. As of September 30, 2024, five of the Company's forty-four patents were approved by the countries in which the patent applications were filed. Amortization expense was \$235 and \$688 and \$234 and \$577 for the three and nine months ended September 30, 2025 and 2024, respectively.

**11. NOTE PAYABLE**

Note payable consists of the following:

	September 30, 2025	December 31, 2024
Vehicle note payable for \$40,248 with monthly installment payments of \$799, including interest at 6.99% per annum. The loan is collateralized by the respective vehicle and is due in February 2027.	\$ 12,745	\$ 19,082
Less current portion	(8,982)	(8,524)
<b>LONG-TERM PORTION</b>	<b>\$ 3,763</b>	<b>\$ 10,558</b>

The balance of the above debt matures as follows:

	Twelve Months Ending September 30,	Amount
2026		\$ 8,982
2027		3,763
<b>TOTAL</b>		<b>\$ 12,745</b>

Interest expense related to this note payable for the three and nine months ended September 30, 2025 and 2024, was \$248 and \$855 and \$389 and \$1,277, respectively.

**12. CONVERTIBLE NOTES PAYABLE (AS RESTATED)**Overview of the Purchase Agreement

On March 21, 2025, the Company entered into a Securities Purchase Agreement with Streeterville Capital, LLC (“Streeterville”). The SPA closed on May 15, 2025, upon satisfaction of all condition precedents. The SPA provides for a maximum facility of \$40,000,000, under which two draws were completed during the nine months ended, September 30, 2025, resulting in aggregate cash proceeds of \$8,000,000 and the issuance of convertible notes with an aggregate face amount of \$8,650,000. As of September 30, 2025, the remaining undrawn capacity under the facility is \$32,000,000; however, any future draws remain subject to the satisfaction of conditions precedent set forth in the SPA, and no assurance can be given that additional draws will be made.

The convertible notes issued under the SPA bear interest at a rate of 8% per annum and have no stated maturity date. In the event of a default under the SPA, the Company will be required to make monthly cash payments until the default is cured or the notes are repaid in full.

Pre-Delivery Shares

Pursuant to the SPA, Streeterville purchased 2,937,500 shares of common stock (the “Pre-Delivery Shares”) at par value (\$0.0002 per share) in exchange for aggregate consideration of \$588. The Pre-Delivery Shares were issued as a condition of and concurrent with the closing of the SPA on May 15, 2025, and are contractually linked to the financing arrangement.

The Company has evaluated the Pre-Delivery Shares under ASC 480-10-25 and ASC 505-10-45 and concluded that equity classification is appropriate on the following basis: (i) the shares represent issued and legally outstanding common stock with full voting rights; (ii) the Company holds a right, but not an obligation, to repurchase the Pre-Delivery Shares at par value, which is a unilateral call option and does not, by itself, require liability classification; and (iii) the shares are not mandatorily redeemable and do not embody an unconditional obligation requiring the Company to transfer assets. Accordingly, the Pre-Delivery Shares are presented within stockholders’ equity and are included as issued and outstanding shares as of December 31, 2025.

The Pre-Delivery Shares are included in the weighted-average shares outstanding used in the computation of basic and diluted loss per share beginning on May 15, 2025, the date the SPA closed and the shares were issued, consistent with ASC 260-10-45. The Company considered whether the nominal issuance price and the Company’s repurchase right created any basis to exclude these shares from EPS and concluded that, because the shares are legally issued and outstanding with no outstanding contingency that would require their return, the Company’s inclusion is appropriate.

Conversion Feature and Bifurcation

Pursuant to ASC 815-40-15 and ASC 815-15-25, a conversion feature that fails the indexed-to-own-stock test must be bifurcated from the host instrument and accounted for separately as a derivative liability, measured at fair value at each reporting date, with changes in fair value recognized in earnings. Accordingly, the Company has bifurcated the conversion feature as a derivative liability at the inception of each note.

Note Issuance Summary

The two convertible notes issued in 2025 were bifurcated as follows. The initial host carrying value for each note represents the cash proceeds received, reduced by (i) the original issue discount (“OID”) of approximately 8% of the principal proceeds, (ii) the fair value of the bifurcated derivative liabilities at issuance, (iii) the portion of debt issuance costs of 6% that are allocated to the host debt instrument, as described below, and (iv) the fair value of 62,500 shares of common stock issued by the company as a commitment fee.

**12. CONVERTIBLE NOTES PAYABLE (AS RESTAED) (Continued)**

In connection with the issuance of the notes, the Company incurred debt issuance costs equal to 6% of cash proceeds received, totaling \$480,000 (\$240,000 for Convertible Note 1 and \$240,000 for Convertible Note 2). In accordance with ASC 835.30 and ASC 815, the Company allocates debt issuance costs between the host debt instrument and the bifurcated derivative liability based on their relative fair values at the date of issuance. Specifically, the fair value of the bifurcated derivative liability as a percentage of total proceeds was used to determine the portion of issuance costs attributable to the derivative component. Accordingly, \$266,613 of the total \$480,000 in issuance costs was allocated to the derivative components and expensed immediately within the statement of operations, as such costs cannot be deferred against a liability measured at fair value through earnings under ASC 815-15. The remaining \$213,387 was recorded as a contra-liability (direct reduction of the carrying value of the host debt instrument) and is being amortized to interest expense using the effective interest method over the estimated expected term of three years, consistent with the accretion of the OID and derivative discounts described below. The resulting discount is accreted to par using the effective interest method over the estimated term of each note.

Although the notes have no stated maturity date, the Company estimated an expected term of three years for purposes of both the EIM accretion schedule and the Monte Carlo valuation of the bifurcated derivative. This expected term was determined based on (i) the Company's expected timing of draws under the SPA (ii) the economic terms and structure of the SPA, including the conversion mechanics and the absence of a mandatory redemption date, (iii) the Company's assessment of the expected conversion behavior of the noteholder based on the Lookback Formula, and (iv) the provisions of the SPA governing the noteholder's conversion rights. The use of an expected term rather than a contractual maturity is consistent with ASC 820-10-35-24C, which requires that fair value reflect market participant assumptions. Management applied the same three-year expected term in both the EIM accretion model and the Monte Carlo valuation model based on its estimate of the period over which the notes are expected to remain outstanding. The three-year assumption will be reassessed each reporting period in connection with the fair value remeasurement of the derivative liability.

	<b>Convertible Note 1</b>	<b>Convertible Note 2</b>	<b>Total</b>
Issuance date	May 15, 2025	Aug 11, 2025	
Face amount	\$ 4,330,000	\$ 4,320,000	\$ 8,650,000
Original issue discount	(330,000)	(320,000)	(650,000)
Cash proceeds	4,000,000	4,000,000	8,000,000
Debt issuance costs (contra-liability)	(75,987)	(137,400)	(213,387)
Derivative discount (initial fair value of bifurcated derivatives)	(2,250,000)	(1,710,000)	(3,960,000)
Commitment shares (discount)	(828,125)	-	(828,125)
INITIAL HOST CARRYING VALUE	<u>\$ 845,888</u>	<u>\$ 2,152,600</u>	<u>\$ 2,998,488</u>

**Host Convertible Note Roll-Forward**

The following table sets forth the activity in the carrying value of the host portion of the convertible notes for the nine months ended September 30, 2025. Discount accretion is computed using the EIM applied to the initial carrying value of each note over its estimated three-year expected term. Upon conversion, the face amount converted and the pro-rata unamortized discount and issuance costs attributable to the converted portion are removed from the carrying value.

	<b>Convertible Note 1</b>	<b>Convertible Note 2</b>	<b>Total</b>
Balance at January 1, 2025	\$ —	\$ —	\$ —
Note issuance — initial host carrying value	845,888	2,152,600	2,998,488
EIM accretion of debt discount and issuance costs	97,785	26,402	124,187
Conversions — face amount	(2,875,000)	(1,250,000)	(4,125,000)
Conversions — issuance costs	2,211,763	587,384	2,799,147
Conversions — unamortized discount written off	47,187	39,757	86,944
HOST CARRYING VALUE AT SEPTEMBER 30, 2025	<u>\$ 327,623</u>	<u>\$ 1,556,143</u>	<u>\$ 1,883,766</u>

**12. CONVERTIBLE NOTES PAYABLE (AS RESTAED) (Continued)**Conversion Accounting

See NOTE 2, Convertible Notes Payable and Derivative Liabilities for details on accounting for the conversion of convertible notes payable.

For a summary of derivative liability activity during 2025, including amounts derecognized upon conversion, refer to NOTE 5.

Other income and expenses related to convertible notes

Other income and expenses related to the convertible notes recognized during the three and nine months ended September 30, 2025 consisted of the following, presented in the income statement line items indicated:

	<b>Three Months Ended September 30, 2025</b>	<b>Nine Months Ended September 30, 2025</b>
Stated interest at 8% per annum	\$ 165,831	\$ 165,831
Accretion of debt discount	88,295	116,033
Accretion of debt issuance costs	6,297	8,153
Loss on conversion of convertible notes payable	3,295,072	3,295,072

The bifurcated derivative liability associated with the convertible notes is classified as a Level 3 instrument and remeasured at fair value at each reporting date using a Monte Carlo simulation model. For a full description of the valuation methodology, significant unobservable inputs (including the expected term, volatility, and risk-free rate assumptions), a roll-forward of the derivative liability balance, and the amounts of unrealized gains or losses recognized in earnings during 2025, refer to NOTE 5.

**13. COMMITMENTS AND CONTINGENCIES**Lease Obligation

Effective April 1, 2024, the Company expanded its leased office space. The new term is nine months, and thereafter a month-to-month lease which can be canceled with a 90-day written notice and agreement to suitable terms by both parties. Under this lease, base rent is \$3,600 per month. The Company is required to pay insurance, listing the property owner as an additional insured, and normal maintenance costs for certain of this leased property. Additionally, the Company rents a warehouse from an officer and shareholder for \$2,250 per month on a month-to-month basis.

**13. COMMITMENTS AND CONTINGENCIES (Continued)**Lease Obligation (Continued)

FASB ASU No. 2016-02, Topic 842, Leases, allows companies to elect certain policies for short-term leases. The Company has elected not to recognize right-of-use assets and lease liabilities arising from short-term leases with an initial term of 12 months or less.

Litigation

On September 9, 2025, John Doan and Jami Town named the Company as a defendant in Case No. 3:2025cv00721, pending in U.S. District Court for the Eastern District of Virginia. Doan and Town claim the Company is in breach of contract for loans made to AirBox. The loans were extended to AirBox before the Company purchased its assets in 2023. The Company explicitly acquired only the assets of AirBox and therefore does not believe it is liable for any of its previous liabilities. The Company has filed for removal from the claim. The plaintiffs have filed to have the case remanded to Virginia state court, where it was originally filed on August 13, 2025. Since this matter is still in its initial stages, the Company is unable to predict the outcome at this time.

From time to time, the Company may become involved in various legal proceedings in the ordinary course of its business and may be subject to third-party infringement claims. In the normal course of business, the Company may agree to indemnify third parties with whom it enters into contractual relationships, including customers, lessors, and parties to other transactions with the Company, with respect to certain matters.

The Company has agreed, under certain conditions, to hold these third parties harmless against specified losses, such as those arising from a breach of representations or covenants, other third-party claims that the Company's products, when used for their intended purposes, infringe the intellectual property rights of such other third parties, or other claims made against certain parties. It is not possible to determine the maximum potential amount of liability under these indemnification obligations due to the Company's limited history of prior indemnification claims and the unique facts and circumstances that are likely to be involved in each particular claim.

**14. RELATED-PARTY TRANSACTIONS**

On May 26, 2020, the Company entered into a three year agreement with a stockholder of the Company for the use of a patent. Beginning June 1, 2020, the Company began paying the stockholder a monthly license fee of \$10,000. Once revenue from sales, rentals, and leases begins, the Company is required to pay \$25.00 per unit sold. If the Company does not sell 400 units per month (or \$10,000), the original fixed \$10,000 is paid. Accordingly, for the three and nine months ended September 30, 2025 and 2024, the Company recorded licensing fee costs in the amount of \$30,000 and \$90,000 each period, respectively.

**14. RELATED-PARTY TRANSACTIONS (Continued)**

On March 10, 2025, the Company entered into the second amendment to the Exclusive Patent License Agreement of May 26, 2020. The Second Amendment extends the license to perpetuity, covering the full term and life of the patents, and cures in the event of default. The Second Amendment also removes prior restrictions on the Company's use, sale, or commercialization of the technology after termination, permitting the sale of remaining inventory for up to 90 days post-termination, provided all required reports and payments are made under the Agreement.

**15. STOCKHOLDERS' EQUITY (AS RESTATED)**Common Stock

As of April 30, 2020 (date of incorporation), the Company had 100,000,000 shares of common stock, with a par value of \$0.0001, authorized and available to issue for purposes of satisfying any future transactions. No other class of stock has been authorized or is available for issuance.

Effective September 15, 2021, the Company authorized a 2-for-1 stock split, with 200,000,000 shares authorized and available, with a par value of \$0.00005, to issue for purposes of satisfying any future transactions. Effective November 25, 2024, the Company authorized a 1-for-4 reverse stock split, with 200,000,000 shares authorized and available to issue for purposes of satisfying any future transactions. The par value is now \$0.0002.

During the nine months ended September 30, 2025, the Company issued 5,112,182 shares of common stock as follows:

- a) 11,692 shares with accredited investors in exchange for cash of \$152,000 at an average share price of \$13.00 per share. 7,692 of the shares were issued with warrants and deemed as equity, as described in Note 16.
- b) 2,937,500 shares with an accredited investor in exchange for cash of \$588. The shares were issued at par value, subject to the securities purchase agreement, dated March 21, 2025, by and between Streeterville Capital, LLC and the Company (the "Purchase Agreement"), as described in Note 12.
- c) 120,820 warrants exercised, for 120,820 shares in exchange for cash of \$573,895.
- d) 25,693 shares issued through a crowdfunding campaign with other investors in exchange for net cash of \$291,773, at an average share price of \$11.50 per share net of offering costs.
- e) 84,874 shares issued to employees and consultants, recognized as compensation expense, fair valued at \$13.00 per share, for a total fair value of \$1,103,362, based on the price per stock issued to investors for cash during the period January 1, 2025 to May 15, 2025.
- f) 62,500 shares issued to Streeterville Capital, LLC as commitment shares pursuant to the SPA, fair valued at \$828,125
- g) 35,389 shares issued to employees or consultants via stock awards, recognized as compensation expense, for a total of \$451,567, fair valued based on the Company's closing stock price on the day the shares were issued.
- h) 773 shares issued for the cashless exercise of vested options under the 2023 equity incentive plan, for a total of \$9,269, fair value based on the Company's closing stock price on the day the shares were exercised.

**15. STOCKHOLDERS' EQUITY (AS RESTATED) (Continued)**Common Stock (Continued)

- i) 532,913 shares issued to a consultant via stock awards, recognized as deferred offering costs, fair valued at \$13.00 per share, for a total of \$6,927,869, based on the price per stock issued to investors for cash.
- j) 92,673 shares issued with a consultant as settlement of legal expenses incurred in prior periods, fair valued at \$13.00 per share, for a total of \$1,204,737, based on the price per stock issued to investors for cash.
- k) 1,207,355 shares issued, with a fair value of \$4,125,000, as a conversion of \$4,125,000 notes payable, as described in Note 12.

Share Repurchase Program

On September 8, 2025, the Company announced a new share repurchase program (the "Repurchase Program"), pursuant to which the Company may purchase up to \$10 million of its common stock through March 31, 2026.

Share repurchases under the Repurchase Program may be made from time to time through various means, including open market purchases, privately negotiated transactions, and/or pursuant to Rule 10b5-1 trading plans, in each case in accordance with Rule 10b-18 under the Securities Exchange Act of 1934. The timing, volume, and nature of share repurchases pursuant to the Repurchase Program are at the discretion of management and may be suspended or discontinued at any time. Shares repurchased under the Repurchase Program are held for sale and are included in the category of treasury stock.

The following table sets forth the Company's share repurchases:

	Three and nine months ended September 30, 2025
Total number of shares repurchased	19,700
Amount repurchased	\$ 74,743
Average price per share	\$ 3.79

Share repurchases for the three months ended September 30, 2025 were made on the open market subject to regulatory constraints. As of September 30, 2025, the Company had approximately \$9.925 million available for repurchase remaining under the repurchase program.

**16. WARRANTS**

The following table summarizes the warrants outstanding as of September 30, 2025:

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
BALANCE, DECEMBER 31, 2024	227,549	\$ 10.08	\$ 4.76	0.97	\$ 598,996
Granted	7,692	11.00	8.55	3.45	-
Exercised	(120,820)	9.52	3.87	-	-
Cancelled/Expired	(6,680)	9.52	3.90	-	-
BALANCE, SEPTEMBER 30, 2025	<u>107,741</u>	<u>\$ 10.80</u>	<u>\$ 6.09</u>	<u>1.27</u>	<u>\$ -</u>

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying warrants and the closing stock price of \$3.64 for the Company's common shares on September 30, 2025 and the closing stock price of \$12.71 for the Company's common shares on December 31, 2024.

**17. EQUITY INCENTIVE PLAN**

The Company created the 2023 Equity Incentive Plan (the Plan) on April 27, 2023, under which shares of common stock became available for issuance not to exceed 1,500,000. The Stock Plan is designed to attract, retain, and motivate key employees. Currently, the fair value is recognized as an expense over the vesting period of the award. Option awards are generally granted with an exercise price equal to the fair market value of the Company's stock at the date of grant, vest over a four-year period, and expire after ten years. There are certain situations that may accelerate the vesting or termination of all outstanding options, such as a change in control. As of September 30, 2025, 854,042 shares were available for grant. The compensation expenses related to incentive units is included in general and administrative expenses with a corresponding increase to additional paid-in-capital.

## 17. EQUITY INCENTIVE PLAN (Continued)

The following table summarizes the options outstanding as of September 30, 2025:

	Share Options Outstanding	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
BALANCE, DECEMBER 31, 2024	614,704	\$ 0.80	\$ 10.88	8.87	\$ 7,322,656
Granted	-	-	-	-	-
Exercised	(1,251)	0.76	10.30	-	-
Canceled/Expired	(4,135)	0.76	11.69	-	-
BALANCE, SEPTEMBER 30, 2025	<u>609,318</u>	<u>\$ 0.80</u>	<u>\$ 10.87</u>	<u>8.12</u>	<u>\$ 1,731,782</u>
EXERCISABLE, SEPTEMBER 30, 2025	<u>226,590</u>	<u>\$ 0.80</u>	<u>\$ 10.87</u>	<u>8.12</u>	<u>\$ 643,211</u>

The following table summarizes the nonvested share options for the nine months ended September 30, 2025:

	Nonvested Share Options	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
BALANCE, DECEMBER 31, 2024	452,875	\$ 0.80	\$ 10.89	8.88	\$ 5,396,007
Vested	(66,737)	0.79	10.92	8.15	190,042
Canceled/Expired	(3,079)	0.76	12.38	-	-
BALANCE, SEPTEMBER 30, 2025	<u>382,729</u>	<u>\$ 0.80</u>	<u>\$ 10.87</u>	<u>8.13</u>	<u>\$ 1,088,571</u>

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying share options and the closing stock price of \$3.64 for the Company's common shares on September 30, 2025 and the closing stock price of \$12.71 for the Company's common shares on December 31, 2024.

**17. EQUITY INCENTIVE PLAN (Continued)**

There were no options granted during the nine months ended September 30, 2025. As of September 30, 2025, there was \$4,161,913 unrecognized compensation expense related to nonvested stock options to be recognized through June 30, 2028. Total compensation expense related to stock options during the three and nine months ended September 30, 2025 and September 30, 2024 was \$268,191 and \$757,957 and \$270,011 and \$732,293, respectively. During the nine months ended September 30, 2025 there were 1,251 options exercised in a cashless exchange for 773 shares.

Additionally, fully vested stock awards of 2,264 and 35,389 shares were issued under the Plan to employees during the three and nine months ended September 30, 2025 resulting in compensation expense of \$20,942 and \$541,567, respectively.

**18. RESEARCH AND DEVELOPMENT TAX CREDITS**

The Company qualifies as a small business under Internal Revenue Code Section 41(h) and has elected to apply a portion of its federal research and development (R&D) credit against the employer portion of Social Security payroll taxes, in accordance with IRS Form 6765.

As of September 30, 2025, the Company had \$226,011 of unused payroll tax credits. These credits are being applied as an offset to the Company's payroll tax liability and are recognized as a reduction of payroll tax expense in the period the benefit is realized.

**19. SUBSEQUENT EVENTS**

On October 1, 2025, the Company signed a new five-year lease agreement for office space in Fishers Indiana. The lessor and building owner is a related party owned by the Company's CEO Dan O'Toole. Under the triple-net lease, the Company is responsible for monthly rent expense plus taxes, insurance and common area maintenance. The lease term is October 1, 2025 through September 30, 2030, with a monthly rent payment of \$54,366.

On October 2, 2025 the Company was the plaintiff in a lawsuit filed in federal court in the Southern District of Indiana for misappropriation of trade secrets. Taft, Stettinius & Hollister, LLP is representing the Company in the matter. Since this matter is still in its initial stages, the Company is unable to predict the outcome at this time.

On October 6, 2025, the Company awarded 21,876 restricted stock units with a fair value of \$108,942 to three independent board members for their services during the third quarter of 2025. These shares vest on September 30, 2026 and are expensed as compensation expense over the vesting period.

## Item 2. Management’s Discussion and Analysis of Financial Conditions and Results of Operations

*The following discussion and analysis is intended as a review of significant factors affecting our financial condition and results of operations for the periods indicated. The discussion should be read in conjunction with our unaudited financial statements and the notes presented herein included in this Form 10-Q and the audited financial statements and the other information set forth in the Prospectus that forms a part of our Registration Statement on Form S-1 (File No. 333-284042) which was filed with the Securities and Exchange Commission on December 23, 2024 and amended on Form S-1/A on May 13, 2025. In addition to historical information, the following Management’s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties.*

### Company Overview

Arrive AI pioneered the smart mailbox for drone deliveries, evolving into a leader in the Autonomous Last Mile (“ALM”). Today, we are transforming last-mile logistics by enabling secure, seamless exchanges between drones, robots, and people. Our mission is to connect these systems through a universal ALM network of Arrive Points™—smart lockers and mini-cross-docks—powered by an AI-driven ALM platform. This network unlocks exceptional efficiency, accelerating adoption in medical, retail, e-commerce, and beyond, making Arrive AI the intelligent choice for the final inch of automated delivery.

Our patented Arrive Points™ deliver a smart, secure, and seamless solution for automated last-mile delivery. These innovative docks streamline exchanges by eliminating manual intervention and technical barriers, ensuring efficient data validation and synchronization. With robust security, precise tracking, and support for diverse goods—including temperature-controlled options for food and medicine—Arrive Points enhance chain of custody and product integrity. By bridging physical and digital interfaces, they are paving the way for scalable, fully autonomous delivery networks.

We expect to have three primary revenue streams:

1. The Company is currently generating revenue through subscription services for Arrive Points, along with installation, support, and infrastructure agreements with customers. We provide our ALM access points to both businesses and consumers through monthly and annual subscription fees. This turnkey service includes hardware, software, support, maintenance, installation/uninstallation, and financing for long-term deployed assets. In Q4 of 2024 we installed third-generation Arrive Points (“AP3” units), which began revenue operation in 2025.

2. Data monetization via models and insights generated by machine learning and artificial intelligence (“ML” and “AI”). Machine learning facilitates our systems’ ability to learn and improve from experience using data patterns, while artificial intelligence encompasses broader capabilities and models to simulate human intelligence and decision-making. We plan to use both technologies distinctly:

a. Machine learning: Primarily deployed in our fourth and fifth-generation Arrive Points (“AP4” and “AP5” units) for local IoT (Internet of Things) data processing, edge computing (inferencing) for environment and transactional models, and interactions models for drones and robots.

b. Artificial intelligence: Used more broadly to analyze and derive insights from our network’s transactional and environmental data through complex AI models, but we will also leverage foundational AI models like ChatGPT or LAMA for device-based human interactions.

3. ALM Marketplace. Our network of Arrive Points, the supporting software and AI plus ML, collectively create a platform that is intended to provide valuable services and insights to all stakeholders in the ALM ecosystem. For example, our automated delivery marketplace (“ADM”) will use a Google-AdSense-like market to help prioritize and optimize high-demand access schedules and space availability for our access point network. This platform will provide a broad array of critical functions for the ALM ecosystem including arrival/departure scheduling, space optimization, smart delivery notifications, micro weather conditions, local restrictions, transactional status updates, and automation issues/obstacles. These advanced capabilities will be introduced in our AP5 development and pilot program currently in development.

We differentiate ourselves through a comprehensive, integrated solution:

- **Universal Compatibility:** Our multi-generational Arrive Points (AP3, AP4, AP5) are being developed for universal support of all drone and robotic delivery systems, overcoming a major hurdle for widespread ALM adoption.

- **End-to-End Solution:** We combine advanced hardware with a powerful software platform and AI/ML capabilities, offering a complete ecosystem for automated exchange.

- **Early Market Penetration:** We have already secured pilot programs with significant customers, including a regional hospital and a specialty pharmaceutical delivery company, demonstrating early validation and learning opportunities for sustainable economics.

## Capitalization and Dilution

As of September 30, 2025, we had 34,213,387 shares outstanding. On a fully diluted basis, including outstanding warrants (exercisable for 107,741 shares) and options (exercisable for 609,318 shares), our total share count is 34,930,446. Additionally, under the Streeterville Purchase Agreement (the "Purchase Agreement"), up to 6,792,645 remaining registered shares were available at September 30, 2025 that may be issuable at a discount to the market price. The Purchase Agreement also specifies the re-purchase of 2,937,500 outstanding pre-delivery shares at par value upon expiration or termination of the agreement.

The table below illustrates potential dilution under different conversion scenarios (unaudited):

### Scenario

	<u>Shares Outstanding</u>	<u>% Increase</u>
Current Outstanding (9/30/2025)	34,213,387	-
With all options and warrants exercised	34,930,446	2%
With all registered shares available for Streeterville issuance at September 30, 2025	41,723,091	22%
With re-purchase of pre-delivery shares	38,785,591	13%

These potential issuances could materially dilute existing stockholders, particularly if conversion occurs at depressed share prices.

## Recent Developments

### *Share Repurchase Program*

On September 8, 2025, we announced a share repurchase program of up to \$10 million of the Company's common stock, par value \$0.0002 per share, from September 8, 2025 through March 31, 2026. Repurchases may be made from time to time in the open market, through privately negotiated transactions, or under Rule 10b5-1 trading plans, in each case in accordance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, and subject to market conditions and other factors, including customary blackout periods. The program may be modified, suspended, or terminated at any time at the Company's discretion. The timing and actual number of shares repurchased, if any, will depend on a variety of factors, including price, liquidity, and alternative uses of capital.

The Company repurchased 9,700 shares on the open market on September 9, 2025, in multiple lots at an average price of \$3.54 per share, and 10,000 shares on the open market on September 11, 2025, in multiple lots at an average price of \$4.04 per share.

### *Issuance of Shares Under the Equity Incentive Plan*

On July 18, 2025, we issued 2,264 fully vested shares under the 2023 Equity Incentive Plan to a consultant. On October 6, 2025, we issued 21,876 restricted stock units under the plan to three independent directors, subject to a one-year vesting.

## Results of Operations

### Comparison of the Three Months Ended September 30, 2025, and September 30, 2024

#### Revenues:

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
Consulting services	\$ -	\$ -	\$ -	NM %
Installation	2,175	-	2,175	NM
Subscription	5,275	-	5,275	NM
	\$ 7,450	\$ -	\$ 7,450	NM %

During the three months ended September 30, 2025, we recognized total revenues of \$7,450. Of this, \$5,275 was for monthly subscriptions, and \$2,175 was for installation fees. Consulting services, and installation fees are typically project-based and non-recurring in nature. Subscription services are recurring and paid either up-front or monthly for an annual term. We anticipate these revenue streams to continue in future quarters while we develop new revenue models for the autonomous delivery marketplace and AI data insight monetization.

As a development stage company, during the three months ended September 30, 2024, we had no revenues. Percentage change from the prior year period is therefore not meaningful ("NM").

#### Operating Expenses:

	Three Months Ended September 30,		\$ Change	% Change
	2025 (Restated)	2024		
General and administrative	\$ 1,370,346	\$ 791,639	\$ 578,707	73%
Research and development	179,854	7,940	171,914	2,165
Sales and marketing	107,530	28,414	79,116	278
	\$ 1,657,730	\$ 827,993	\$ 829,737	100%

Our third quarter results reflect growing investment in the team size, product development and marketing activities.

General and administrative expenses increased by \$578,707 to \$1,370,346 for the three months ended September 30, 2025, as compared to the three months ended September 30, 2024. Primary components of general and administrative expenses were:

- Salaries and benefits in total were \$855,045, an increase of \$338,795 from the prior year period, reflecting new hiring in product development, engineering and sales and marketing.
- Base salaries for the period were \$540,323, an increase of \$305,639 from the same period in the prior year. As of September 30, 2025, the Company had 33 full-time salaried employees, compared with 8 in the same period last year.
- Stock-based compensation for the period was \$289,431, an increase of \$14,926 from the same period in the prior year.
- Legal and professional service fees were \$238,677, an increase of \$90,099 from the same period in the prior year due to higher spend on investor relations (\$40,483), patent expenses (\$32,716), compliance (\$20,495), and litigation (\$18,635), offset by lower consulting services.
- Insurance expense was \$72,421, an increase of \$54,475 from the same period in the prior year, due to higher directors' and officers' insurance premiums.
- Information technology expense was \$46,289, an increase of \$37,390 from the same period in the prior year, due to onboarding a new service provider.
- General and administrative expense also includes an impairment charge in the current period of \$10,541 related to a damaged asset in construction in process.

Research and Development expenses were \$179,854 for the three months ended September 30, 2025, an increase of \$171,914 as compared to the same period in the prior year. This is primarily due to higher independent contractor spend (\$42,911) and a one-time vendor credit in the prior year period of \$129,351.

Marketing expenses were \$107,530 for the three months ended September 30, 2025, an increase of \$79,116 from the same period in the prior year. The increase is due to higher travel expenses (\$58,821) and advertising expenses (\$20,295) in the current quarter.

**Other Income/Expenses:**

	<b>Three Months Ended September 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2025 (Restated)</b>	<b>2024</b>		
Other income	\$ 23,388	\$ 5,434	\$ 17,954	330%
Interest expense and bank charges	(283,586)	(1,192)	(282,394)	23,691
Change in fair value of derivative liability	896,266	-	896,266	NM
Amortization of debt discount	(88,295)	-	(88,295)	NM
Loss on Conversion of convertible note payable	(3,295,072)	-	(3,295,072)	NM
Realized gain (loss) on investments	46,491	-	46,491	NM
Unrealized gain (loss) on investments	(76,120)	-	(76,120)	NM
	<u>\$ (2,776,928)</u>	<u>\$ 4,242</u>	<u>\$ (2,781,170)</u>	<u>(65,563)%</u>

Other income for the three months ended September 30, 2025, was \$23,388. Income was recognized from payroll tax refunds earned under the federal R&D tax credit program of \$18,780, and interest income of \$4,608.

Interest expense of \$283,586 was comprised primarily of the immediate expensing of the debt issuance costs associated with the bifurcated derivative of \$102,599, amortization of the debt issue costs of the convertible note of \$6,297, and accrued interest on the convertible note of \$165,832. Other miscellaneous interest and bank fees was \$8,858 in the period.

Change in fair value of derivative liabilities resulted in a non-cash gain of \$896,266 for the three months ended September 30, 2025, with no comparable amount in 2024. The embedded conversion feature of the convertible note was bifurcated as a derivative liability at issuance under ASC 815. Each derivative is remeasured at fair value using a Monte Carlo simulation model at each reporting and conversion date, with changes recognized in earnings. The gain reflects the decline in the Company's stock price from issuance, which reduced the expected value of the noteholder's conversion optionality.

Amortization of debt discount resulted in a non-cash charge of \$88,295 for the three months ended September 30, 2025, with no comparable amount in 2024, representing effective interest method amortization of the combined discount on the host convertible note instruments, consisting of original issue discount, the fair value of each bifurcated derivative at issuance, and allocable debt issuance costs, over the estimated three-year expected term of the note.

Loss on conversion of convertible notes payable of \$3,295,072 for the three months ended September 30, 2025 resulted from the issuance of common stock for the conversion of convertible notes payable with no comparable amount in 2024. Under ASC 470-50, each conversion was treated as a debt conversion, and the loss represents the difference between the net carrying value converted and the fair value of common stock issued.

Realized gains on investments were \$46,491, and unrealized losses were \$76,120 for the quarter ended September 30, 2025. During the quarter, the Company engaged in speculative trading of derivatives, primarily options, resulting in a net realized gain of \$104,635. The Company's short-term investments, primarily in marketable securities, contributed a realized net loss of \$58,144 and unrealized net loss of \$76,120 for the quarter. These activities are part of the Company's strategy to generate short-term returns on excess cash.

During the three months ended September 30, 2024, we recognized income from a corporate card rebate program (\$5,434). Interest expense and bank fees for the prior-year period were \$1,175.

During the three months ended September 30, 2024, we had no realized or unrealized gains or losses on investments. Percentage change from the prior year period is therefore not meaningful ("NM")

**Comparison of the Nine Months Ended September 30, 2025, and September 30, 2024****Revenues:**

	<b>Nine Months Ended September 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2025 (Restated)</b>	<b>2024</b>		
Consulting services	\$ 89,000	\$ -	\$ 89,000	NM %
Installation	3,675	-	3,675	NM
Subscription	5,500	-	5,500	NM
	<u>\$ 98,175</u>	<u>\$ -</u>	<u>\$ 98,175</u>	<u>NM %</u>

During the nine months ended September 30, 2025, we recognized total revenues of \$98,175. Of this, \$89,000 was for design and consulting services, \$3,675 for installation fees, and \$5,500 for monthly subscriptions.

As a development stage company, during the nine months ended September 30, 2024, we had no revenues.

**Operating Expenses:**

	<b>Nine Months Ended September 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2025 (Restated)</b>	<b>2024</b>		
General and administrative	\$ 6,739,384	\$ 2,395,881	\$ 4,343,503	181%
Research and development	564,585	548,879	15,706	3

Sales and marketing	164,793	281,160	(116,367)	(41)
	<u>\$ 7,468,762</u>	<u>\$ 3,225,920</u>	<u>\$ 4,242,842</u>	<u>132%</u>

Our nine months ended September 30, 2025 results reflect continued investment in product development and marketing activities. General and administrative expenses include one-time costs related to the direct listing and financing transaction.

General and administrative expenses increased by \$4,343,503 for the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024. Primary components of general and administrative expenses were:

- Salaries and benefits in total increased by \$4,359,704 from the prior year period. This was impacted by \$1,866,531 one-time success bonuses paid upon completion of the public listing in May 2025.
- Excluding the one-time bonus costs, base salaries for the period were \$730,687, an increase of \$208,822 from the same period in the prior year due to new hiring in product development, engineering and sales and marketing. As of September 30, 2025, the Company had 33 full-time salaried employees, compared with 8 in the same period last year.
- Stock-based compensation for the period was \$2,322,155, an increase of \$1,442,035 from the same period in the prior year.
- Legal and professional service fees were \$950,017, an increase of \$549,239 from the same period in the prior year due to higher spend on legal fees related to the direct listing (\$260,383), investor relations (\$106,298), compensation consulting (\$77,140), patent expenses (\$54,745), and higher transfer agent fees (\$19,869).
- Insurance expense was \$147,052, an increase of \$93,835 from the same period in the prior year, due to higher directors and officers insurance premiums.

Research and Development expenses were \$564,585 for the nine months ended September 30, 2025, an increase of \$15,706 as compared to the same period in the prior year. This is primarily due to the timing of vendor engineering projects (lower by \$258,861), offset by higher independent contractor spend (\$159,342) and one-time success bonuses for independent contractors (\$118,250).

Marketing expenses were \$164,793 for the nine months ended September 30, 2025, a decrease of \$116,367 from the same period in the prior year. The decrease is due to one-time expenses in the prior year period for television advertising (\$200,000), offset by higher travel, meals and entertainment expenses (\$63,017), and other marketing expenses (\$20,616).

#### Other Income/Expenses:

	Nine Months Ended		\$ Change	% Change
	2025 (Restated)	2024		
Other income	\$ 83,454	\$ 29,523	\$ 53,931	183%
Interest expense and bank charges	(452,843)	(3,209)	(449,634)	14,012
Change in fair value of derivative liability	1,086,266	-	1,086,266	NM
Amortization of debt discount	(116,033)	-	(116,033)	NM
Loss on conversion of convertible notes payable	(3,295,072)	-	(3,295,072)	NM
Realized gain (loss) on investments	46,491	-	46,491	NM
Unrealized gain (loss) on investments	(76,120)	-	(76,120)	NM
	<u>\$ (2,723,857)</u>	<u>\$ 26,314</u>	<u>\$ (2,750,171)</u>	<u>(10,451)%</u>

Other Income of \$83,454 for the nine months ended September 30, 2025 was recognized from payroll tax refunds earned under the federal R&D tax credit program of \$61,637, state tax refund from the EDGE credit of \$16,915, and interest income of \$4,902.

Interest expense of \$452,843 for the nine months ended September 30, 2025 was comprised primarily of the immediate expensing of the debt issuance costs associated with the bifurcated derivative of \$266,612, amortization of the debt issue costs of the convertible note of \$8,153, and accrued interest on the convertible note of \$165,832. Other miscellaneous interest and bank fees was \$12,246 in the period.

Change in fair value of derivative liabilities resulted in a non-cash gain of \$1,086,266 for the nine months ended September 30, 2025, with no comparable amount in 2024. The embedded conversion feature of the convertible note was bifurcated as a derivative liability at issuance under ASC 815. Each derivative is remeasured at fair value using a Monte Carlo simulation model at each reporting and conversion date, with changes recognized in earnings. The gain reflects the decline in the Company's stock price from issuance, which reduced the expected value of the noteholder's conversion optionality.

Amortization of debt discount resulted in a non-cash charge of \$116,033 for the nine months ended September 30, 2025, with no comparable amount in 2024, representing effective interest method amortization of the combined discount on the host convertible note instruments, consisting of original issue discount, the fair value of each bifurcated derivative at issuance, and allocable debt issuance costs, over the estimated three-year expected term of the note.

Loss on conversion of convertible notes payable of \$3,295,072 for the nine months ended September 30, 2025 resulted from the issuance of common stock for the conversion of convertible notes payable with no comparable amount in 2024. Under ASC 470-50, each conversion was treated as a debt conversion, and the loss represents the difference between the net carrying value converted and the fair value of common stock issued.

Realized gains on investments were \$46,491, and unrealized losses were \$76,120 for the nine months ended September 30, 2025. During the quarter, the Company engaged in speculative trading of derivatives, primarily options, resulting in a net realized gain of \$104,635. The Company's short-term investments, primarily in marketable securities, contributed a realized net loss of \$58,144 and unrealized net loss of \$76,120 for the nine months ended September 30, 2025. These activities are part of the Company's strategy to generate short-term returns on excess cash.

During the nine months ended September 30, 2024, we recognized income from the Indiana EDGE tax credit of \$24,089 and no federal R&D tax refunds. We also recognized income from a corporate card rebate program (\$5,434). Interest expense and bank fees for the prior-year period was \$3,209.

#### Liquidity and Capital Resources

Our primary sources of liquidity are cash on hand, short-term liquid investments, and the Streeterville Purchase Agreement. As of September 30, 2025, our cash was \$816,715, and short-term investments were \$1,918,995. There is currently \$32 million available under the Streeterville Purchase Agreement.

The balance of cash on-hand and short-term investments represents approximately three and one-half months of runway based on our current average operating losses. Including the remaining proceeds from the Purchase Agreement, our currently available funds are sufficient to fund operations with an increasing burn rate for more than twelve months.

## Cash Flow and Liquidity

	Nine Months Ended September 30,		\$ Change	% Change
	2025	2024		
Net cash provided by (used in):				
Operating activities	\$ (5,048,431)	\$ (1,959,447)	\$ (3,088,984)	(158)%
Investing activities	(2,036,474)	-	(2,036,474)	-
Financing activities	7,772,302	1,925,768	5,846,534	304
Net increase (decrease) in cash	<u>\$ 687,397</u>	<u>\$ (33,679)</u>	<u>\$ 721,076</u>	<u>(2,141)%</u>

### Operating Activities (Restated)

Net cash used in operating activities was \$5,048,431 for the nine months ended September 30, 2025, compared to \$1,959,447 for the same period in 2024. The increase in cash outflows of \$3,088,984 was primarily due to our increased net loss.

For the nine months ended September 30, 2025, our net loss of \$10,094,444 was offset by non-cash items of stock-based compensation expense of \$2,322,155, depreciation and amortization expense of \$31,048, change in fair value of derivative liabilities of (\$1,086,266), loss on conversion of convertible note payable of \$3,295,072, amortization of a discount on the convertible debt of \$116,033, amortization of the \$274,766 debt issuance costs, and unrealized depreciation on investments of \$76,120.

Other working capital movements in the period resulted in a net cash inflow of \$63,576, primarily due to an increase in accrued liabilities (\$125,842), accounts payable (\$43,148), credit card payable (\$4,938), and other current assets (\$3,458). These inflows were offset by an increase in prepaid expenses of \$108,910, accounts receivable of \$4,900.

For the nine months ended September 30, 2024, operating cash flow used of \$1,959,447 was comprised of our net loss of \$3,199,606, offset by non-cash items of stock-based compensation expense of \$880,120 and depreciation and amortization of \$21,792. Working capital movements in the prior-year period resulted in net cash inflows of \$338,247 due to an increase in accounts payable of \$408,485, accrued liabilities of \$21,889 offset by outflows due to prepaid expenses (\$63,407) and the credit card payable (\$28,720).

### Investing Activities

Net cash used for investing activities was \$2,036,474 for the nine months ended September 30, 2025. This was due to an increase in fixed assets for new Arrive Points placed into service or waiting final installation (\$87,850). We also incurred a net cash outflow from sales and purchases of short-term investments of \$1,948,624. No fixed assets or other investing activities were recorded during the nine months ended September 30, 2024.

### Financing Activities (Restated)

Net cash provided by financing activities was \$7,772,302 for the nine months ended September 30, 2025. We received \$8,000,000 in proceeds from issuance of convertible debt under the Purchase Agreement. We received net proceeds of \$448,056 from other sales of common stock and \$573,896 from exercise of outstanding warrants, prior to the direct listing. These cash inflows were offset by payments made on an outstanding note payable of \$6,337, debt issuance costs of \$480,000 and payments for deferred offering costs of \$688,570. We made purchases of our common stock under the share repurchase program of \$74,743 in the period.

For the nine months ended September 30, 2024, net cash provided by financing activities was \$1,925,768, which included \$2,031,682 from sales of common stock, offset by payments made on the notes payable of \$5,914 and the payment of deferred offering costs of \$100,000.

## Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is not required to provide the information required by this Item because it is a “smaller reporting company.”

## Item 4. Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10Q/A, we carried out an evaluation under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, 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 upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of September 30, 2025, our disclosure controls and procedures were not effective due to the material weakness in our internal control over financial reporting described below.

Management identified a material weakness in internal control over financial reporting related to the identification, evaluation, and accounting for certain embedded conversion features that should have been bifurcated from the related host instruments and accounted for as derivative liabilities at fair value in accordance with ASC 815, and the accretion of original issue discount and debt issuance costs associated with the host instruments using the effective interest method over the appropriate accretion period. As a result of this material weakness, management concluded that the Company’s disclosure controls and procedures were not effective as of September 30, 2025.

### Remediation Plan for the Material Weakness

Management is in the process of implementing remediation measures to address the material weakness discovered in connection with the preparation of this Form 10-Q/A, including enhancing its accounting review procedures for complex financial instruments, engaging additional external resources with expertise in derivative valuations, internal procedures to evaluate accounting treatment under ASC 815, and strengthening its controls around the review

and approval of significant accounting estimates and elections. Management may determine to take additional measures to address the material weakness or modify the remediation efforts described above. The material weakness will be considered remediated after applicable controls operate for a sufficient period of time, and management has concluded that the controls are effective.

*Changes in Internal Controls over Financial Reporting*

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) was identified in the evaluation required by Rule 13a-15(d) or 15d-15(d) under the Exchange Act during the quarter ended September 30, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. Legal Proceedings

From time to time, Arrive AI Inc. (the “Company”) may be subject to various claims, lawsuits and other legal and administrative proceedings arising in the ordinary course of business. Defending such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. Other than as set forth below, Arrive AI is not presently a party to any litigation the outcome of which, if determined adversely to us, would in our estimation, have a material adverse effect on our business, operating results, cash flows or financial condition. The following is a summary of the Company’s ongoing legal proceedings:

*Byfield Management, Inc. and Ohrn II, Richard B v. Dronedek Corporation.* This is an employment action, originally filed in the Hamilton County Court of the State of Indiana Hamilton Superior Court/File: 5 29 D05-2303-PL-002478. Ohrn, working as Byfield Management, Inc., was the original chief financial officer of the Company under an oral agreement. The amount in dispute includes two years of salary and stock options. The Company terminated this executive contract for cause. The case was moved to Marion Superior Court No. 2 of the State of Indiana on March 15, 2023 CAUSE NO. 49D02-2305-PL-020604. Plaintiffs alleged breach of employment agreement; breach of stock purchase agreement; breach of fiduciary duties and non-payment of salary, bonuses, and benefits. Arrive terminated Ohrn/Byfield’s employment because of several misrepresentations in connection with the financial stability by Ohrn, including bankruptcy and mortgage foreclosure. Indiana is an at-will employment state. Affirmative defenses and counterclaims were filed, discovery documents have been exchanged by the parties, but no further motions are pending. No trial dates or case management plan has been filed. In May 2024, the court asked for a dismissal which prompted the plaintiff to request some third-party documents. No other motions are pending. The settlement demand includes unpaid salary and stock awards. Arrive has engaged Taft Stettinius & Hollister LLP as its external counsel to represent the company in this matter. Although plaintiff’s allegations amount to approximately \$29 million in total damages, it is not possible at this time to ascertain an exact figure upon the outcome of this litigation through a court’s final decision, or if any damages may be granted at all.

An initial Cease and Desist letter on Arrive AI’s trademark from Arrive Logistics was received July 19, 2023. An open, positive discussion is ongoing between counsel.

On September 9, 2025, the Company was named as a defendant in Case No. 3:2025cv00721, pending in U.S. District Court for the Eastern District of Virginia. Plaintiffs John Doan and Jami Town claim the Company is in breach of contract for loans made to AirBox Technologies (“AirBox”). The loans were for \$25,000 extended to AirBox before the Company purchased its assets in 2023. Damage claims and fees have increased that amount to \$45,082. The Company explicitly acquired only the assets of AirBox and therefore does not believe it is liable for any of its previous liabilities. The Company has filed for removal from the claim. The plaintiffs have filed to have the case remanded back to Virginia state court, where it was originally filed on August 13, 2025. Since this matter is still in its initial stages, the Company is unable to predict the outcome at this time.

On October 2, 2025, the Company was the plaintiff in a lawsuit Case No. 1:2025cv02026 filed in federal court in the Southern District of Indiana for misappropriation of US federal and Indiana trade secrets. The defendants are former consultants, Myron Wright, an individual, and Wright Flyer Consulting Group Inc., a Kentucky corporation. The Company is seeking compensatory and punitive damages, attorney fees and costs as well as permanent injunctive relief against the defendants requiring the immediate cessation of all transactions utilizing the Company’s Trade Secrets and return of materials constituting the Trade Secrets. Taft, Stettinius & Hollister, LLP is representing the Company in the matter.

## Item 1A. Risk Factors

As a smaller reporting company under Rule 12b-2 of the Exchange Act, the Company is not required to provide risk factors in this report. For our current risk factors relating to our operations see the section entitled “Risk Factors” contained in our Registration Statement on Form S-1 filed with the SEC on December 23, 2024, and effective on May 13, 2025, and our Registration Statement on Form S-1 filed with the SEC on June 17, 2025, and effective on July 28, 2025.

Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

While we incorporate the Risk Factors in our previous SEC filings, we note the following material updates since that filing:

### Dependence on Streeterville Financing

Our recent financings with Streeterville Capital involve pre-paid purchase agreements that permit the investor to acquire our common shares at a discount to market price. These arrangements may cause significant shareholder dilution and could exert downward pressure on our stock price. Certain triggers, including sustained declines in our share price, could accelerate cash repayment obligations, which we may not be able to meet.

### Customer Concentration

Our revenues to date have been derived from a limited number of customers. In the quarter ended September 30, 2025, more than 10% of our total revenue came from a single customer. If we are unable to expand our customer base and generate recurring subscription revenue, our results of operations will remain highly volatile.

### Going Concern

We have incurred substantial operating losses and had an accumulated deficit of \$24.8 million as of September 30, 2025. These factors raise substantial doubt about our ability to continue as a going concern. We must raise additional capital to fund operations, and such financing may not be available on acceptable terms, or at all.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

### Purchases of Equity Securities by the Issuer

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans	Approximate dollar value of shares that may yet be purchased under the plan (1)
July 1 - July 31	-	\$ -	-	\$ 10,000,000
August 1 - August 31	-	-	-	-
September 1 - September 30	19,700	3.79	19,700	9,925,257
	<u>19,700</u>	<u>\$ 3.79</u>	<u>19,700</u>	<u>\$ 9,925,257</u>

(1) In September 2025, our Board of Directors authorized the repurchase of up to \$10,000,000 of the Company’s common shares under the Repurchase Program. The plan expires March 31, 2026 and does not obligate the Company to acquire any particular amount of the Company’s common shares. Share repurchases may be made from time to time through various means, including open market purchases, privately negotiated transactions, and/or pursuant to Rule 10b5-1 trading plans, in each case in accordance with Rule 10b-18 under the Securities Exchange Act of 1934.

## Item 3. Defaults Upon Senior Securities

None.

## Item 4. Mine Safety Disclosures

Not applicable.

## Item 5. Other Information

### Insider Trading Arrangements

On September 22, 2025, Mark Hamm, the Company's Chief Operating Officer, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. The plan provides for the sale, subject to certain price limits, of 144,102 shares vesting between September 22, 2025 and September 21, 2026, pursuant to certain equity awards granted to Mr. Hamm, excluding any shares withheld by the Company to satisfy income tax withholding and remittance obligations. Mr. Hamm's plan will expire on September 21, 2026, subject to early termination in accordance with the terms of the plan.

## Item 6. Exhibits

The following exhibits are filed as part of this Report.

### EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
31.1*	<a href="#">Section 302 Certification of Chief Executive Officer</a>
31.2*	<a href="#">Section 302 Certification of Chief Financial Officer</a>
32.1*	<a href="#">Section 906 Certifications of Chief Executive Officer</a>
32.2*	<a href="#">Section 906 Certifications of Chief Financial Officer</a>
101 INS**	INSTANCE DOCUMENT
101 SCH**	SCHEMA DOCUMENT
101 CAL**	CALCULATION LINKBASE DOCUMENT
101 LAB**	LABELS LINKBASE DOCUMENT
101 PRE**	PRESENTATION LINKBASE DOCUMENT
101 DEF**	DEFINITION LINKBASE DOCUMENT
104**	COVER PAGE INTERACTIVE DATA FILE - THE COVER PAGE XBRL TAGS ARE EMBEDDED WITHIN THE INLINE XBRL DOCUMENT

\* Filed herewith

\*\* Submitted electronically herewith. Attached as Exhibit 101 are the following materials from Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, formatted in Inline eXtensible Business Reporting Language ("iXBRL"): (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Equity; (iv) the Condensed Consolidated Statements of Cash Flows; (v) notes to these Condensed Consolidated Financial Statements; and (vi) the Cover Page to Quarterly Report on our Form 10-Q.

**SIGNATURES**

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

Date: April 15, 2026

ARRIVE AI INC.

*/s/ Todd Pepmeier*

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Todd Pepmeier

Chief Financial Officer

(On behalf of the Registrant and as principal financial officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a)/RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Daniel S. O'Toole, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Arrive 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 the 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.

Date: April 15, 2026

By: */s/ Daniel S. O'Toole*  
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Daniel S. O'Toole  
**Chief Executive Officer**  
*(Principal Executive Officer)*

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a)/RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Todd Pepmeier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Arrive 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 the 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.

Date: April 15, 2026

By: */s/ Todd Pepmeier*  

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**Todd Pepmeier**  
**Chief Financial Officer**  
*(Principal Financial and Accounting Officer)*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Arrive AI Inc. (the "Registrant") on Form 10-Q/A for the period ending September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel S. O'Toole, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my 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 Registrant.

Date: April 15, 2026

By: */s/ Daniel S. O'Toole*  
\_\_\_\_\_  
**Daniel S. O'Toole**  
**Chief Executive Officer**  
*(Principal Executive Officer)*

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Arrive AI Inc. (the "Registrant") on Form 10-Q/A for the period ending September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Todd Pepmeier, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my 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 Registrant.

Date: April 15, 2026

By: */s/ Todd Pepmeier*  
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**Todd Pepmeier**  
**Chief Financial Officer**  
*(Principal Financial and Accounting Officer)*

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