

**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 June 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.

**Large Accelerated Filer**

**Accelerated filer**

**Non-accelerated filer**

**Smaller Reporting Company**

**Emerging growth company**

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the 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 August 14, 2025, was 33,025,649.

## 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 June 30, 2025, as originally filed with the Securities and Exchange Commission (“SEC”) on August, 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 June 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 June 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 June 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 six months ended June 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 June 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>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>(As Restated)</u>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 607,496	\$ 129,318
Accounts receivable	89,075	-
Prepaid expenses	197,298	55,867
Deferred offering costs	-	427,898
Other current assets	3,208	4,179
Total current assets	<u>897,077</u>	<u>617,262</u>
<b>LONG-TERM ASSETS</b>		
Property and equipment, net	126,586	95,425
Patents, net	273,149	273,601
Deferred offering costs	7,172,455	-
Security deposit	1,500	1,500
Long-term assets	<u>7,573,690</u>	<u>370,526</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,470,767</u>	<u>\$ 987,788</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 965,083	\$ 1,868,689
Accrued liabilities	52,311	79,556
Credit card payable	13,579	3,636
Convertible note payable, net of discount and debt issuance costs of \$3,380,387 and \$74,132, respectively	875,482	-
Derivative liabilities	2,060,000	-
Current portion of note payable	8,827	8,524
Total current liabilities	<u>3,975,282</u>	<u>1,960,405</u>
<b>NONCURRENT LIABILITIES</b>		
Note payables, net of current portion	<u>6,068</u>	<u>10,558</u>
Total long term liabilities	6,068	10,558
Total liabilities	<u>3,981,350</u>	<u>1,970,963</u>
<b>Commitments and Contingencies (See Note 12)</b>		
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Common stock, \$0.0002 par value, 200,000,000 shares authorized, 33,023,385 shares and 29,120,905 issued and outstanding at June 30, 2025, and December 31, 2024, respectively	6,604	5,822
Additional paid-in capital, net of offering costs	26,075,771	14,984,561
Subscription receivable	(5,167)	(53,003)
Accumulated deficit	<u>(21,587,791)</u>	<u>(15,920,555)</u>
Total stockholders' equity (deficit)	<u>4,489,417</u>	<u>(983,175)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<u>\$ 8,470,767</u>	<u>\$ 987,788</u>

See accompanying condensed notes to unaudited financial statements.

## ARRIVE AI INC.

CONDENSED STATEMENTS OF OPERATIONS  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(As Restated)		(As Restated)	
<b>REVENUE</b>	\$ 90,725	\$ -	\$ 90,725	\$ -
<b>OPERATING EXPENSES</b>				
General and administrative	3,474,059	803,311	5,369,038	1,604,242
Research and development	293,468	452,538	384,731	540,939
Sales and marketing	49,602	226,289	57,263	252,746
Total operating expenses	3,817,129	1,482,138	5,811,032	2,397,927
<b>OTHER INCOME (EXPENSES)</b>				
Other income	43,151	24,089	60,066	24,089
Interest expense and bank charges	(168,080)	(1,053)	(169,257)	(2,017)
Change in fair value of derivative liabilities	190,000	-	190,000	-
Amortization of debt discount	(27,738)	-	(27,738)	-
Total other income (expenses)	37,333	23,036	53,071	22,072
<b>NET LOSS BEFORE TAXES</b>	<u>(3,689,071)</u>	<u>(1,459,102)</u>	<u>(5,667,236)</u>	<u>(2,375,855)</u>
<b>PROVISION FOR INCOME TAXES</b>	-	-	-	-
<b>NET LOSS</b>	<u>\$ (3,689,071)</u>	<u>\$ (1,459,102)</u>	<u>\$ (5,667,236)</u>	<u>\$ (2,375,855)</u>
<b>NET LOSS PER SHARE:</b>				
Basic and diluted	\$ (0.12)	\$ (0.05)	\$ (0.18)	\$ (0.08)
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:</b>				
Basic and diluted	31,543,921	28,950,088	30,637,620	28,903,132

See accompanying condensed notes to unaudited financial statements.

ARRIVE AI INC.

CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

For the Six Months Ended June 30, 2025 and 2024 (Unaudited)

	Number of Common Shares	Common Stock (\$)	Number of Treasury Shares	Treasury Stock (\$)	Additional Paid- In Capital, Net of Offering Costs (\$)	Subscription Receivable (\$)	Accumulated Deficit (\$)	Total Stockholders' Equity (Deficit) (\$)
<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>	<u>33,023,385</u>	<u>\$ 6,604</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 26,075,771</u>	<u>\$ (5,167)</u>	<u>\$ (21,587,791)</u>	<u>\$ 4,489,417</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>	<u>28,965,770</u>	<u>\$ 5,792</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 12,711,490</u>	<u>\$ (5,546)</u>	<u>\$ (13,758,509)</u>	<u>\$ (1,046,773)</u>

See accompanying condensed notes to unaudited financial statements.



## ARRIVE AI INC.

## CONDENSED STATEMENTS OF CASH FLOWS

For the Six Months Ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	(As Restated)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (5,667,236)	\$ (2,375,855)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	2,032,723	605,615
Depreciation and amortization	17,118	14,469
Change in fair value of derivative liabilities	(190,000)	-
Amortization of discount on convertible debt	27,738	-
Amortization of debt issuance costs	165,869	-
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	(89,075)	-
Prepaid expenses	(141,431)	(3,381)
Other current assets	971	-
Increase (decrease) in		
Accounts payable	61,131	344,817
Accrued liabilities	(27,245)	85,136
Credit card payable	9,943	(24,786)
Net cash used in operating activities	<u>(3,799,494)</u>	<u>(1,353,985)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Construction in progress	(47,827)	-
Net cash used in investing activities	<u>(47,827)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from sale of common stock, net	444,360	1,201,233
Proceeds from the exercise of warrants, net	573,896	-
Repayments of note payables	(4,187)	(3,905)
Proceeds from issuance of convertible debt	4,000,000	-
Debt issuance costs	-	-
Deferred offering costs	(688,570)	-
Net cash provided by financing activities	<u>4,325,499</u>	<u>1,197,328</u>
NET INCREASE (DECREASE) IN CASH	478,178	(156,657)
CASH, BEGINNING OF PERIOD	<u>129,318</u>	<u>325,472</u>
CASH, END OF PERIOD	<u>\$ 607,496</u>	<u>\$ 168,815</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for:		
Interest	\$ 1,939	\$ 888
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	\$ -
Deferred offering costs recognized as additional paid-in capital	\$ 871,882	\$ -
Cashless exercise of stock options	\$ 8,970	\$ -

See accompanying condensed notes to unaudited financial statements.

**ARRIVE AI INC.**

CONDENSED NOTES TO FINANCIAL STATEMENTS

For the six months ended June 30, 2025  
(Unaudited)

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

Business and nature of operations

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 June 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 June 30, 2025. Accordingly, the Company has restated its unaudited condensed financial statements as of June 30, 2025 and for the three and six 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 June 30, 2025**

	As Reported	Adjustments	As Restated
<b>ASSETS</b>			
Deferred offering costs	\$ 7,182,455	\$ —	\$ —
Total current assets	8,079,532	(7,182,455)	897,077
Deferred offering costs	—	7,172,455	7,172,455
Long-term assets	401,235	7,172,455	7,573,690
Total assets	8,480,767	(10,000)	8,470,767
<b>LIABILITIES</b>			
Accounts payable	725,083	240,000	965,083
Convertible note payable, net of discount and debt issuance costs of \$3,380,387 and \$74,132, respectively	4,202,000	(3,326,518)	875,482
Derivative liabilities	—	2,060,000	2,060,000
Total current liabilities	5,001,800	(1,026,518)	3,975,282
Total liabilities	5,007,868	(1,026,518)	3,981,350
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>			
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
Total liabilities and stockholders' equity (deficit)	8,480,767	(10,000)	8,470,767

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

	As Reported	Adjustments	As Restated
General and administrative	\$ 4,286,558	\$ (812,499)	\$ 3,474,059
Total operating expenses	4,629,628	(812,499)	3,817,129
Interest expense and bank charges	(194,212)	26,132	(168,080)
Change in fair value of derivative liabilities	—	190,000	190,000
Amortization of debt discount	—	(27,738)	(27,738)
Total other income (expense), net	(151,061)	188,394	37,333
Net loss before income taxes	(4,689,964)	1,000,893	(3,689,071)
Net loss	(4,689,964)	1,000,893	(3,689,071)



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

CONDENSED STATEMENTS OF OPERATIONS — For the Six Months Ended June 30, 2025

	As Reported	Adjustments	As Restated
General and administrative	\$ 6,181,537	\$ (812,499)	\$ 5,369,038
Total operating expenses	6,623,531	(812,499)	5,811,032
Interest expense and bank charges	(195,389)	26,132	(169,257)
Change in fair value of derivative liabilities	—	190,000	190,000
Amortization of debt discount	—	(27,738)	(27,738)
Total other income (expense), net	(135,323)	188,394	53,071
Net loss before income taxes	(6,668,129)	1,000,893	(5,667,236)
Net loss	(6,668,129)	1,000,893	(5,667,236)
Net loss per share — basic and diluted	(0.22)	0.04	(0.18)

CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) — Effect of Restatement For the Three and Six Months Ended 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

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

	As Reported	Adjustments	As Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	\$ (6,668,129)	\$ 1,000,893	\$ (5,667,236)
Stock-based compensation	2,845,223	(812,500)	2,032,723
Change in fair value of derivative liabilities	—	(190,000)	(190,000)
Amortization of discount on convertible debt	192,000	(164,262)	27,738
Amortization of debt issuance costs	—	165,869	165,869
Net cash used in operating activities	(3,799,494)	—	(3,799,494)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of convertible debt	4,010,000	(10,000)	4,000,000
Deferred offering costs	(698,570)	10,000	(688,570)
Net cash provided by financing activities	4,325,499	—	4,325,499

There was no impact to total cash and cash equivalents as of June 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Company maintains its cash balances at one financial institution. The account is 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 June 30, 2025 and December 31, 2024, the Company's uninsured cash balances totalled approximately \$357,500 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 six months ended June 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 the vehicle). The useful life of the property and equipment for purposes of computing depreciation is:

	<u>Useful Life</u>
Vehicle 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 a vehicle, aerial drones; construction-in-progress (CIP), and intangible patent assets including those acquired by the acquisition of Airbox Technology in 2023. The vehicle and drone hexacopter were evaluated for impairment, and no impairments were considered necessary as of June 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, one of which has been placed into revenue service in April 2025 and is being depreciated on a straight-lined basis over two years. No impairment loss on these units was recognized as of June 30, 2025.

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 six months ended June 30, 2025 is as follows:

Revenue source

Consulting services	\$	89,000
Installation services		1,500
Subscription fees		225
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>90,725</b>

Timing of Revenue Recognition

Services transferred over time	\$	89,225
Services transferred at a point in time		1,500
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>90,725</b>

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

	June 30, 2025	January 1, 2025
Accounts receivable	\$ 89,075	\$ -

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

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.

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 in 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 six months ended June 30, 2025, the Company recognized \$698,570 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 six months ended June 30, 2025, the Company raised gross proceeds of \$4,711,840, which included \$4,330,000 under a prepaid purchase agreement and \$381,840 through a crowdfunding offering. Of the total deferred offering costs recognized, \$871,882 were allocated and recognized as a reduction of proceeds raised under the prepaid purchase agreement, based on a pro-rata allocation of total expected funding (Note 8 and 11). In addition, \$59,468 and \$90,072 of offering costs were directly associated with the crowdfunding raise and were recognized as a reduction to the related proceeds for the three and six months ended June 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. For the three and six months ended June 30, 2025 and 2024, the Company had R&D costs totalling \$293,468 and \$384,731 and \$452,538 and \$540,939, 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 \$49,602 and \$57,263 and \$226,289 and \$252,746 for the three and six months ended June 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.

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

Stock-Based Compensation (Continued)

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.

Income Taxes

There is no income tax benefit for the losses for the three and six months ended June 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 six-month period ended June 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Convertible Note Payable and Derivative Liabilities (As Restated)

The Company accounts for the convertible note 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 derivative liabilities 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 derivative liabilities 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.

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 liabilities 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 note 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.

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

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 liability, are carried at amortized cost using the effective interest method as disclosed in NOTE 5. The bifurcated derivative liability associated with the convertible note is 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.

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.

**3. SEGMENT REPORTING (Continued)**

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 six months ended June 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 same periods in 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 June 30, 2025, the Company has an accumulated deficit of \$21,587,791 and a net loss for the current period of \$(5,667,236). 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 11. 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:

Description	Level	June 30, 2025
Derivative liabilities	3	\$ 2,060,000

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 11, the Company bifurcated the embedded conversion feature from the note and recognized it as a derivative liability under ASC 815. The derivative liabilities are initially recognized at fair value on the issuance date of the 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 the 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.

Valuation Inputs and Basis of Significant Assumptions

The following inputs were used in the Monte Carlo simulation to measure the instrument at inception:

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

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

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

As described in NOTE 11, the convertible note had 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.

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.

The debt discount rate represents the Company's estimated cost of non-convertible debt with terms comparable to the convertible note. 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.

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

Sensitivity of Level 3 Fair Value Measurements

Because 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 derivative liabilities measured at fair value using Level 3 inputs for the six months ended June 30, 2025:

	Convertible Note
Balance at January 1, 2025	\$ —
Derivative liabilities recognized upon issuance of convertible note payable at fair value	2,250,000
Change in fair value — period-end remeasurement (June 30, 2025)	(190,000)
BALANCE AT JUNE 30, 2025	\$ 2,060,000

The total net change in fair value of the derivative liabilities recognized in the statement of operations for the three and six months ended June 30, 2025 was a gain of \$190,000, 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.

Amounts reclassified upon conversion represent the fair value of the pro-rata portion of the derivative liabilities, 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 the derivative liabilities - conversion remeasurement”. For a description of the full conversion accounting policy, including the treatment of the host debt component upon conversion, see NOTE 11.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30, 2025	December 31, 2024
Vehicle	\$ 58,443	\$ 58,443
Equipment	69,905	50,000
Construction in progress	66,077	38,155
Total property and equipment	194,425	146,598
Less: accumulated depreciation	(67,839)	(51,173)
TOTAL PROPERTY AND EQUIPMENT, NET	\$ 126,586	\$ 95,425

For the three and six months ended June 30, 2025 and 2024, total depreciation expense was \$9,576 and \$16,666 and \$7,030 and \$14,126, respectively.

**7. PREPAID EXPENSES**

Prepaid expenses and other current assets consist of the following:

	June 30, 2025	December 31, 2024
Prepaid payroll wages	\$ 38,271	\$ 38,271
Prepaid insurance	79,509	10,017
Prepaid software and other	79,518	7,579
<b>TOTAL PREPAID EXPENSES</b>	<b>\$ 197,298</b>	<b>\$ 55,867</b>

**8. 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. Upon completion of the public listing, \$871,882 of the deferred offering costs were recorded as a reduction of the proceeds, in proportion to the funds received from the offering, which were recognized in additional paid-in capital.

**9. PATENTS, NET**

Patents consist of the following:

	June 30, 2025	December 31, 2024
Patents	\$ 274,700	\$ 274,700
Less: accumulated amortization	(1,551)	(1,099)
<b>TOTAL PATENTS</b>	<b>\$ 273,149</b>	<b>\$ 273,601</b>

As of June 30, 2025, six of the Company's fifty-seven international patents were issued and began being amortized over twenty years. As of June 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 \$150 and \$452 and \$184 and \$343 for the three and six months ended June 30, 2025 and 2024, respectively.

**10. NOTE PAYABLE**

Note payable consists of the following:

	June 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.	\$ 14,895	\$ 19,082
Less current portion	(8,827)	(8,524)
<b>LONG-TERM PORTION</b>	<b>\$ 6,068</b>	<b>\$ 10,558</b>

The balance of the above debt matures as follows:

	Twelve Months Ending June 30,	Amount
2026		\$ 8,827
2027		6,068
<b>TOTAL</b>		<b>\$ 14,895</b>

Interest expense related to this note payable for the three and six months ended June 30, 2025 and 2024, was \$285 and \$607 and \$427 and \$888, respectively.

**11. CONVERTIBLE NOTE 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 one draw was completed during the six months ended June 30, 2025, resulting in aggregate cash proceeds of \$4,000,000 and the issuance of a convertible note with an aggregate face amount of \$4,330,000. As of June 30, 2025, the remaining undrawn capacity under the facility is \$36,000,000; however, any future draws remain subject to the satisfaction of conditions precedent set forth in the SPA. The convertible note payable includes limitations that may restrict additional borrowings, including (i) a limitation on total outstanding indebtedness, (ii) a minimum market capitalization requirement of \$100 million, and (iii) a minimum book value of \$4 million at the time of a draw. 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 June 30, 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 the note.

Note Issuance Summary

The convertible note issued was 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.

11. CONVERTIBLE NOTE PAYABLE (AS RESTATED) (Continued)

In connection with the issuance of the note, the Company incurred debt issuance costs equal to 6% of cash proceeds received, totaling \$240,000. 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, \$164,013 of the total \$240,000 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 \$75,987 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 the note.

Although the note has 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 note is 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</b>
Issuance date	May 15, 2025
Face amount	\$ 4,330,000
Original issue discount	(330,000)
Cash proceeds	4,000,000
Debt issuance costs (contra-liability)	(75,987)
Derivative discount (initial fair value of bifurcated derivative)	(2,250,000)
Commitment shares (discount)	(828,125)
INITIAL HOST CARRYING VALUE	<u>\$ 845,888</u>

Host Convertible Note Roll-Forward

The following table sets forth the activity in the carrying value of the host portion of the convertible note for the 6 months ended June 30, 2025. Discount accretion is computed using the EIM applied to the initial carrying value of the 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</b>
Balance at January 1, 2025	\$ —
Note issuance — initial host carrying value	845,888
EIM accretion of debt discount and issuance costs	29,594
HOST CARRYING VALUE AT JUNE 30, 2025	<u>\$ 875,482</u>

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 the six months ended 2025, including amounts derecognized upon conversion, refer to NOTE 5.

Other income and expenses related to convertible note

Other income and expenses related to the convertible note recognized during the three and six months ended June 30, 2025 consisted of accretion of debt discount and accretion of debt issuance costs of \$27,738 and \$1,856, respectively.

The bifurcated derivative liabilities 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 liabilities balance, and the amounts of unrealized gains or losses recognized in earnings during 2025, refer to NOTE 5.

**12. 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 cancelled 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.

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

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.

**13. RELATED-PARTY TRANSACTIONS**

On May 26, 2020, the Company entered into a 3-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 six months ended June 30, 2025 and 2024, the Company recorded licensing fee costs in the amount of \$30,000 and \$60,000 each period, respectively.

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.

**14. 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 six months ended June 30, 2025, the Company issued 3,902,480 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 15.
- 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 "Streeterville Purchase Agreement"), as described in Note 11.
- c) 120,820 warrants exercised, for 120,820 shares in exchange for cash of \$573,896.
- 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 \$11.36 per share after offering costs.

**14. STOCKHOLDERS' EQUITY (Continued)**

Common Stock (Continued)

- 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) 33,815 shares issued in June 2025 to employees or consultants via stock awards, recognized as compensation expense, for a total of \$439,595, fair valued based on the Company's closing stock price on the day the shares were issued.
- h) 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.
- i) 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.

**15. WARRANTS**

The following table summarizes the warrants outstanding for the six months ended June 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	3.70	5,231
Exercised	(120,820)	9.52	3.87	-	-
Cancelled/Expired	(6,680)	9.52	3.90	-	-
<b>BALANCE, JUNE 30, 2025</b>	<b>107,741</b>	<b>\$ 10.80</b>	<b>\$ 6.09</b>	<b>1.52</b>	<b>\$ 102,511</b>

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying warrants and the closing stock price of \$11.68 for the Company's common shares on June 30, 2025 and the closing stock price of \$12.71 for the Company's common shares on December 31, 2024.

16. 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 June 30, 2025, 886,799 shares were available for grant. The compensation expenses related to incentive units is included in general and administrative expenses with a corresponding increased to additional paid-in-capital.

The following table summarizes the options outstanding for the six months ended June 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
Exercised	(1,094)	0.76	10.30	-	-
Canceled/Expired	(1,503)	0.76	11.26	-	-
BALANCE, JUNE 30, 2025	<u>612,107</u>	<u>\$ 0.80</u>	<u>\$ 10.88</u>	<u>8.38</u>	<u>\$ 6,661,152</u>
EXERCISABLE, JUNE 30, 2025	<u>205,213</u>	<u>\$ 0.80</u>	<u>\$ 10.86</u>	<u>8.37</u>	<u>\$ 2,232,276</u>

The following table summarizes the nonvested share options for the six months ended June 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	(44,821)	0.79	10.93	8.41	488,000
Canceled/Expired	(1,160)	0.76	11.36	-	-
BALANCE, JUNE 30, 2025	<u>406,894</u>	<u>\$ 0.80</u>	<u>\$ 10.88</u>	<u>8.38</u>	<u>\$ 4,428,876</u>

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

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying share options and the closing stock price of \$11.68 for the Company's common shares on June 30, 2025 and the closing stock price of \$12.71 for the Company's common shares on December 31, 2024.

There were no options granted during the six months ended June 30, 2025. As of June 30, 2025, there was \$4,427,738 unrecognized compensation expense related to nonvested stock options to be recognized over the remaining vesting period. Total compensation expense related to stock options during the three and six months ended June 30, 2025 and June 30, 2024 was \$244,883 and \$489,766 and \$246,612 and \$462,282, respectively. During the six months ended June 30, 2025 there were 1,094 options exercised in a cashless exchange for 690 shares.

**17. 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 June 30, 2025, the Company had \$166,499 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.

**18. SUBSEQUENT EVENTS**

On July 2, 2025, subsequent to the end of the reporting period, Congress enacted the Taxpayer Fairness and Growth Act of 2025, which includes significant amendments to the Internal Revenue Code. Key provisions include:

- A reduction in the federal corporate income tax rate from 21% to 19%, effective for tax years beginning after January 1, 2026;
- Limitations on the deductibility of certain interest and R&D expenses;
- Modifications to the foreign-derived intangible income ("FDII") and global intangible low-taxed income ("GILTI") regimes.

The Company is currently evaluating the impact of the legislation on its consolidated financial statements, including deferred tax assets and liabilities. Because the enactment occurred after the end of the reporting period and before issuance of these financial statements, the effects have not been recognized in the accompanying condensed consolidated financial statements as of and for the period ended June 30, 2025, consistent with ASC 740 and ASC 855.

The Company expects the corporate rate reduction to have no material impact on its effective tax rate beginning in fiscal 2026. However, remeasurement of deferred tax balances and the application of new limitations may result in non-cash tax charges in future periods. The Company will continue evaluating the impact and recognize any required adjustments in the period of enactment.

On July 28, 2025 the Company's resale registration statement on Form S-1 was declared effective by the SEC registering up to 8,125,779 shares of common stock for resale by selling shareholders. This includes 8,000,000 shares issuable under the Steeterville Purchase Agreement, 114,421 shares issuable upon exercise of warrants (6,680 of which have since expired), and 11,358 shares issued after the initial registration.

On August 11, 2025, the Company entered into a Pre-Paid Purchase No. 2 with Streeterville (the "Pre-Paid Purchase No. 2") pursuant to the Streeterville Purchase Agreement dated March 21, 2025. Under the Pre-Paid Purchase No. 2, the Investor paid \$4,000,000 to the Company, representing the purchase price for an unsecured promissory note with an original principal balance of \$4,320,000, which included a \$320,000 original issue discount.

## 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're 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 Access 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. Operational platform fees. Our network of Access 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 specialty pharmaceutical delivery company, demonstrating early validation and learning opportunities for sustainable economics.

## **Recent Developments**

### ***Hancock Health Deployment***

On May 19, 2025, we announced a two-year agreement to deploy patented Arrive Points at Hancock Health, a regional hospital located in Greenfield, Indiana. Under this agreement, Arrive Points will serve as a reliable, chain-of-custody compliant hub for the drop-off and pickup of biospecimens from the cancer center. The first deployment installed two third generation Arrive Points (“AP3”) in conjunction with ground robots in a single route. Initial revenue was recorded in this quarter for the engineering, development and consulting on the project. Recurring subscription service for access to the Arrive network and rolling robots began in August 2025. Additional delivery routes, including drone operations, are being evaluated for expansion in future stages.

### ***Go2Delivery Partnership***

On May 20, 2025, we announced a partnership with Go2 Delivery, a Virginia-based courier, to autonomously deliver high-risk, high-value specialty pharmacy products using Arrive AI technology. Go2 Delivery is rolling out Arrive Points initially in Virginia Beach, Virginia. The companies have been testing the process for several months, with the initial units delivered in 2024. We recognized revenue this quarter from the installation of the units and began subscription revenue service in April 2025.

### ***Patents Issued***

On June 10, 2025, we announced the issuance of a new U.S. patent. The new patent (US12304671B2) is for the Arrive Points’ ability to heat and cool items on demand and brings our total issued U.S. patents to eight.

### ***Skye Air Mobility Partnership***

On June 24, 2025, we announced a new global customer, Skye Air Mobility. Skye Air is India’s dominant and rapidly expanding hyperlocal drone delivery platform, making about 6,000 deliveries per day. Under the terms of the agreement, the two companies will collaborate to deploy up to 500 Arrive Points in India, including the capital of New Delhi. The first Arrive Point units are expected to be delivered to Skye Air by the end of 2025.

### ***Filing of S-8 Registration Statement***

On June 13, 2025, we filed a registration statement on Form S-8 to register 1,500,000 shares of common stock, which includes (i) 886,799 shares which may be issued under the Company’s 2023 Equity Incentive Plan (the “2023 Plan”), and (ii) 613,201 shares that may be issued upon exercise of outstanding options granted under the 2023 Plan. The 2023 Plan was adopted by the Company’s board of directors on April 27, 2023, and approved by Daniel S. O’Toole, the Company’s majority shareholder, on April 27, 2023.

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

From June 19, 2025 through July 18, 2025, we issued 36,079 fully vested shares under the 2023 Plan to employees, directors, and consultants. A total of 25,932 shares were issued to independent Directors, 4,111 shares were issued to employees, and 6,036 shares were issued to advisors and consultants.

### ***Effectiveness of S-1 Registration Statement***

On July 28, 2025, our resale registration statement was declared effective by the SEC registering up to 8,125,779 shares of common stock for resale by selling shareholders. This includes 8,000,000 shares under the Streeterville Purchase Agreement, 114,421 shares issuable upon exercise of outstanding warrants (6,680 of which have since expired), and 11,358 shares issued after the effectiveness of our registration statement on Form S-1 in connection with our direct listing.

## Results of Operations

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

#### Revenues:

	Three Months Ended June 30,		\$	%
	2025	2024	Change	Change
Consulting services	\$ 89,000	\$ -	\$ 89,000	NM %
Installation	1,500	-	1,500	NM
Subscription	225	-	225	NM
	<u>\$ 90,725</u>	<u>\$ -</u>	<u>\$ 90,725</u>	<u>NM %</u>

During the three months ended June 30, 2025, we recognized total revenues of \$90,725. Of this, \$89,000 was for design and consulting services, \$1,500 for installation fees, and \$225 for monthly subscriptions. 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 June 30, 2024, we had no revenues. Percentage change from the prior year period is therefore not meaningful ("NM").

#### Operating Expenses:

	Three Months Ended June 30,		\$	%
	2025 (Restated)	2024	Change	Change
General and administrative	\$ 3,474,059	\$ 803,311	\$ 2,670,748	332%
Research and development	293,468	452,538	(159,070)	(35)
Sales and marketing	49,602	226,289	(176,687)	(78)
	<u>\$ 3,817,129</u>	<u>\$ 1,482,138</u>	<u>\$ 2,334,991</u>	<u>158%</u>

Our second quarter results reflect continued investment in product development and marketing activities. This quarter's general and administrative expenses include one-time costs related to the direct listing and financing transaction.

General and administrative expenses increased by \$2,670,748 for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024. Primary components of general and administrative expenses were:

- Salaries and benefits in total were \$2,726,090, an increase of \$2,122,872 from the prior year period. This was driven by \$1,866,531 one-time success bonuses paid upon completion of the public listing in May 2025, and higher stock-based compensation in the period.
- Excluding the one-time bonus costs, base salaries for the period were \$167,127, a reduction of \$77,088 from the same period in the prior year due to vacancies.
- Stock-based compensation for the period was \$684,479, an increase of \$325,478 from the same period in the prior year.
- Legal and professional service fees were \$511,439, an increase of \$433,855 from the same period in the prior year due to higher spend on legal fees related to the direct listing (\$249,875), investor relations (\$65,815), consulting services (\$47,440), transfer agent fees (\$18,769) and patent expenses (\$15,131).
- Insurance expense was \$54,495, an increase of \$38,251 from the same period in the prior year, due to higher directors and officers insurance premiums.

Research and Development expenses were \$293,468 for the three months ended June 30, 2025, a decrease of \$159,070 as compared to the same period in the prior year. This is due to the timing of vendor engineering projects (lower by \$345,845), offset by higher independent contractor spend (\$68,525) and one-time success bonuses for independent contractors (\$118,250).

Marketing expenses were \$49,602 for the three months ended June 30, 2025, a decrease of \$176,687 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 and miscellaneous expenses in the current quarter.

#### Other Income/Expenses:

	Three Months Ended June 30,		\$	%
	2025 (Restated)	2024	Change	Change
Other income	\$ 43,151	\$ 24,089	\$ 19,062	79%
Interest expense and bank charges	(168,080)	(1,053)	(167,027)	15,862
Change in fair value of derivative liabilities	190,000	-	190,000	NM
Amortization of debt discount	(27,738)	-	(27,738)	NM
	<u>\$ 37,333</u>	<u>\$ 23,036</u>	<u>\$ 14,297</u>	<u>62%</u>

Other income for the three months ended June 30, 2025 was \$43,151. Income was recognized from payroll tax refunds earned under the federal R&D tax credit program of \$42,857, and interest income of \$294.

Interest expense of \$168,080 was comprised primarily of immediate expensing of the debt issuance costs associated with the bifurcated derivative of \$164,013, the amortization of the debt issue costs on the Streeterville convertible note of \$1,856, and other miscellaneous interest of \$2,211.

During the three months ended June 30, 2024, we recognized income from the Indiana EDGE tax credit of \$24,089 and no federal R&D tax refunds. Interest expense for the prior-year period was \$1,053.

Change in fair value of derivative liabilities resulted in a non-cash gain of \$190,000 for the three months ended June 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 \$27,738 in the three months ended June 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.

#### Comparison of the Six Months Ended June 30, 2025, and June 30, 2024

##### Revenues:

During the six months ended June 30, 2025, we recognized total revenues of \$90,725. Of this, \$89,000 was for design and consulting services, \$1,500 for installation fees, and \$725 for monthly subscriptions.

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

##### Operating Expenses:

	Six Months Ended June 30,		\$	%
	2025 (Restated)	2024	Change	Change
General and administrative	\$ 5,369,038	\$ 1,604,242	\$ 3,764,796	235%
Research and development	384,731	540,939	(156,208)	(29)
Sales and marketing	57,263	252,746	(195,483)	(77)
	<u>\$ 5,811,032</u>	<u>\$ 2,397,927</u>	<u>\$ 3,413,105</u>	<u>142%</u>

Our first half 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 \$3,764,796 for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. Primary components of general and administrative expenses were:

- Salaries and benefits in total increased by \$4,020,908 from the prior year period. This was driven 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 \$399,186, a reduction of \$96,817 from the same period in the prior year due to vacancies.
- Stock-based compensation for the period was \$2,032,723, an increase of \$1,427,108 from the same period in the prior year.
- Legal and professional service fees were \$711,641, an increase of \$459,140 from the same period in the prior year due to higher spend on legal fees related to the direct listing (\$249,875), investor relations (\$65,815), compensation consulting (\$47,440), transfer agent (\$26,589) and higher patent expenses (\$27,540).
- Insurance expense was \$74,631, an increase of \$39,360 from the same period in the prior year, due to higher directors and officers insurance premiums.

Research and Development expenses were \$384,731 for the six months ended June 30, 2025, a decrease of \$156,208 as compared to the same period in the prior year. This is due to the timing of vendor engineering projects (lower by \$387,864), offset by higher independent contractor spend (\$113,406) and one-time success bonuses for independent contractors (\$118,250).

Marketing expenses were \$57,263 for the six months ended June 30, 2025, a decrease of \$195,483 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 and miscellaneous expenses in the current quarter.

#### Other Income/Expenses:

	Six Months Ended June 30,		\$	%
	2025 (Restated)	2024	Change	Change
Other income	\$ 60,066	\$ 24,089	\$ 35,977	149%
Interest expense and bank charges	(169,257)	(2,017)	(167,240)	8,292
Change in fair value of derivative liabilities	190,000	-	190,000	NM
Amortization of debt discount	(27,738)	-	(27,738)	NM
	<u>\$ 53,071</u>	<u>\$ 22,072</u>	<u>\$ 30,999</u>	<u>140%</u>

Other income for the six months ended June 30, 2025 was \$60,066. Income was recognized from payroll tax refunds earned under the federal R&D tax credit program of \$42,857, state tax refund from the EDGE credit of \$16,915, and interest income of \$294.

Interest expense of \$169,257 was comprised primarily of immediate expensing of the debt issuance costs associated with the bifurcated derivative of \$164,013, the amortization of the debt issue costs on the Streeterville convertible note of \$1,856, and other miscellaneous interest of \$3,388.

Change in fair value of derivative liabilities resulted in a non-cash gain of \$190,000 for the six months ended June 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 \$27,738 for the six months ended June 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.

During the six months ended June 30, 2024, we recognized income from the Indiana EDGE tax credit of \$24,089 and no federal R&D tax refunds. Interest expense for the prior-year period was \$2,017.

#### Liquidity and Capital Resources

Our primary sources of liquidity are cash on hand, and the Streeterville Purchase Agreement. As of June 30, 2025, our cash was \$607,496. This represents an increase of \$478,178 from \$129,318 on hand at the end of the prior fiscal year. Proceeds from the sales of common stock and the convertible note were used to fund general operating expenses, including salaries, professional services and research and development expenses. Cash flow was also impacted by significant one-off expenditures related to the public listing, as described in the discussion of operating expenses.

#### Cash Flow and Liquidity

	Six Months Ended June 30,		\$	%
	2025	2024	Change	Change
Net cash provided by (used in):				
Operating activities	\$ (3,799,494)	\$ (1,353,985)	\$ (2,445,509)	(181)%
Investing activities	(47,827)	-	(47,827)	-
Financing activities	4,325,499	1,197,328	3,128,171	261
Net increase (decrease) in cash	<u>\$ 478,178</u>	<u>\$ (156,657)</u>	<u>\$ 634,835</u>	<u>(405)%</u>

### *Operating Activities (Restated)*

Net cash used in operating activities was \$3,799,494 for the six months ended June 30, 2025, compared to \$1,353,985 for the same period in 2024. The increase in cash outflows of \$2,445,509 was primarily due to our net loss of \$5,667,236 and the change in fair value of derivative liabilities of \$190,000, offset by non-cash items of stock-based compensation expense of \$2,032,723, depreciation and amortization expense of \$17,118, the amortization of a discount on the convertible debt of \$27,738, and amortization of debt issuance costs of \$165,869.

Other working capital movements in the period resulted in a net cash outflow of \$185,706, primarily due to an increase in prepaid expenses of \$141,431, accounts receivable of \$89,075, and a reduction of accrued liabilities of \$27,245. This outflow was partially offset by increases in accounts payable of \$61,131 and the credit card payable of \$9,943.

For the six months ended June 30, 2024, operating cash flow was comprised of our net loss of \$2,375,855, offset by non-cash items of stock-based compensation expense of \$605,615 and depreciation and amortization of \$14,469. Working capital movements in the prior-year period resulted in net cash inflows of \$401,786 due to an increase in accounts payable of \$344,817, accrued liabilities of \$85,136 offset by outflows due to prepaid expenses (\$3,381) and the credit card payable (\$24,786).

### *Investing Activities*

Net cash used for investing activities was \$47,827 for the six months ended June 30, 2025. This was due to an increase in fixed assets for new Arrive Points placed into service or waiting final installation. No production Arrive Point units or other fixed assets were recorded during the six months ended June 30, 2024.

### *Financing Activities (Restated)*

Net cash provided by financing activities was \$4,325,499 for the six months ended June 30, 2025. On May 15, 2025, we closed the initial pre-paid purchase under the Streeterville Purchase Agreement, resulting in proceeds from issuance of convertible debt of \$4,000,000. We received net proceeds of \$444,360 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 \$4,187 and payments for deferred offering costs of \$688,570.

For the six months ended June 30, 2024, net cash provided by financing activities was \$1,197,328, which included \$1,201,233 from sales of common stock, offset by payments made on the note payable of \$3,905.

## **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 June 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 June 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 June 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. The Company firmly believes there is no unpaid salary since there was no written or oral contract of employment. The potential stock issue was never completed. Any partial vesting required a small purchase which never happened in Ohrn’s case, therefore Ohrn held no stock upon termination. Even though plaintiff’s allegations amount to approximately \$29 million in total damages, plaintiff’s allegations have no merit, 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, in the opinion of the company’s management and litigation counsel, such allegations may not proceed given the facts presented before the court, such as the breach of the plaintiff’s obligations under the agreement and the termination of the agreement by the Company for cause.

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.

**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 amended Form S-1/A filed with the SEC on May 13, 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.

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

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

## Item 5. Other Information

On August 11, 2025, the Company entered into a Pre-Paid Purchase No. 2 with Streeterville (the “Pre-Paid Purchase No. 2”) pursuant to the Streeterville Purchase Agreement dated March 21, 2025. Under the Pre-Paid Purchase No. 2, the Investor paid \$4,000,000 to the Company, representing the purchase price for an unsecured promissory note with an original principal balance of \$4,320,000, which included a \$320,000 original issue discount. The instrument bears interest at 8% per annum, compounded daily, and permits the Investor, at its discretion, to apply amounts outstanding toward the purchase of shares of common shares of the Company (“Purchase Shares”) at the lesser of (i) the initial listing reference price on the Company’s common stock on the Nasdaq Global Market, or (ii) 90% of the lowest VWAP over the ten trading days prior to a purchase notice (but not below a \$0.25 floor). The issuance of Purchase Shares is subject to a 9.99% beneficial ownership limitation and must be free-trading under an effective registration statement or exemption. The Company may prepay amounts at 115% of the principal being repaid with five trading days’ notice, subject to restrictions, and is obligated to make monthly \$550,000 cash repayments (plus accrued interest) upon certain “trigger” events, including sustained price declines below the floor price of \$0.25 per share or the share issuance nearing the threshold above which shareholders’ approval is required under the exchange rules. Streeterville may accelerate the Company’s obligation to pay, with default interest at 15% and all outstanding balance becoming immediately due and payable in cash, upon the occurrence of certain events of default include nonpayment, insolvency, covenant breaches, and certain corporate transactions. The Company closed this Pre-Paid Purchase No. 2 on August 11, 2025, and received \$4,000,000 in proceeds. The foregoing description of the Pre-Paid Purchase No. 2 is not complete and is qualified in its entirety by reference to the text of such document, which is filed as an exhibit to this quarterly report on Form 10-Q.

Maxim Group LLC (“Maxim”) acted as placement agent for the Pre-Paid Purchase No. 2 and will receive a cash fee equal to 6.0% of the gross proceeds received by us in connection with this transaction. Maxim will also receive a cash fee equal to 6.0% of the gross proceeds from any future pre-paid purchases made pursuant to the Streeterville Purchase Agreement.

## Item 6. Exhibits

The following exhibits are filed as part of this Report.

### EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
4.1	<a href="#">2023 Equity Incentive Plan (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-8 filed on June 13, 2025)</a>
10.1	<a href="#">Securities Purchase Agreement between Arrive AI Inc. and Streeterville Capital LLC (incorporated by reference to Exhibit 10.11 to our registration statement on Form S-1 filed on June 17, 2025)</a>
10.2*	<a href="#">Pre-Paid Purchase No. 2, dated August 11, 2025, by and between Arrive AI Inc. and Streeterville Capital LLC</a>
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 June 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*

\_\_\_\_\_  
Todd Pepmeier

Chief Financial Officer

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

## PRE-PAID PURCHASE #2

August 11, 2025

U.S. \$4,320,000.00

FOR VALUE RECEIVED, ARRIVE AI INC., a Delaware corporation (“**Company**”), promises to pay to STREETERVILLE CAPITAL, LLC, a Utah limited liability company, or its successors or assigns (“**Investor**”), \$4,320,000.00 and any interest, fees, charges, and late fees accrued hereunder in accordance with the terms set forth herein and to pay interest on the Outstanding Balance at the rate of eight percent (8%) per annum from the Purchase Price Date until the same is paid in full. All interest calculations hereunder shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months, shall compound daily and shall be payable in accordance with the terms of this Pre-Paid Purchase #2 (this “**Pre-Paid Purchase**”), which is issued and made effective as of the date set forth above (the “**Effective Date**”). This Pre-Paid Purchase is issued pursuant to that certain Securities Purchase Agreement dated March 21, 2025, as the same may be amended from time to time, by and between Company and Investor (the “**Purchase Agreement**”). Certain capitalized terms used herein are defined in Attachment 1 attached hereto and incorporated herein by this reference.

This Pre-Paid Purchase carries an original issue discount of \$320,000.00 (“**OID**”). The OID is included in the initial principal balance of this Pre-Paid Purchase and is deemed to be fully earned and non-refundable as of the Purchase Price Date. The purchase price for this Pre-Paid Purchase shall be \$4,000,000.00 (the “**Purchase Price**”), computed as follows: \$4,320,000.00 original principal balance, less the OID. The Purchase Price shall be payable by Investor by wire transfer of immediately available funds.

1. Payment; Prepayment.

1.1. Payment. All payments owing hereunder shall be in lawful money of the United States of America or Purchase Shares, as provided for herein, and delivered to Investor at the address or bank account furnished to Company for that purpose. All payments shall be applied first to (a) costs of collection, if any, then to (b) fees and charges, if any, then to (c) accrued and unpaid interest, and thereafter, to (d) principal.

1.2. Prepayment. Notwithstanding the foregoing, with five (5) Trading Days’ prior written notice Company may prepay all or any portion of the Outstanding Balance (less such portion of the Outstanding Balance for which Company has received a Purchase Notice (as defined below) from Lender where the applicable Purchase Shares have not yet been delivered). For the avoidance of doubt, during the five (5) Trading Day prepayment notice period Lender shall retain the right to submit Purchase Notices, if applicable. If Company exercises its right to prepay this Pre-Paid Purchase, Company shall make payment to Lender of an amount in cash equal to 115% multiplied by the portion of the Outstanding Balance Company elects to prepay. Company will lose the right to prepay this Pre-Paid Purchase if: (a) an Event of Default (as defined below) occurs hereunder; or (b) Company elects to prepay this Pre-Paid Purchase and fails to do so on the date set forth in the prepayment notice sent to Lender.

2. Security. This Pre-Paid Purchase is unsecured.

### 3. Investor Purchases.

3.1. Purchases; Mechanics. Upon the terms and subject to the conditions of this Pre-Paid Purchase, Investor, at its sole discretion, shall have the right, but not the obligation, to purchase from Company, and Company shall issue and sell to Investor, Purchase Shares by the delivery to Company of Purchase Notices as provided herein.

(a) Purchase Notice. At any time following the Effective Date, Investor may, by providing written notice to Company in the form set forth on Exhibit A attached hereto (each, a “**Purchase Notice**”), require Company to issue and sell Purchase Shares to Investor, in accordance with the following provisions:

(i) Investor shall, in each Purchase Notice, indicate the portion of the Outstanding Balance that Investor elects to apply to the purchase of Purchase Shares pursuant to this Pre-Paid Purchase (each, a “**Purchase**”, and such amount, the “**Purchase Amount**”), in its sole discretion, and the timing of delivery; *provided* that the Purchase Amount shall not exceed the Outstanding Balance, or result in Investor exceeding the limitation set forth in Section 3.1(b).

(ii) Each Purchase Notice shall be delivered to Company in accordance with the notice provisions set forth in the Purchase Agreement.

(iii) Each Purchase Notice shall set forth the Purchase Amount, the Share Purchase Price, the number of Purchase Shares to be issued by Company and purchased by Investor, and the remaining Outstanding Balance following the Closing (as defined below) of the Purchase.

(iv) Any Purchase Shares issued hereunder must be issued free trading to Investor pursuant to: (1) an effective Registration Statement (as defined in the Purchase Agreement); or (2) an applicable exemption from registration (e.g., Rule 144).

(b) Ownership Limitation. Notwithstanding anything to the contrary contained in this Pre-Paid Purchase or the other Transaction Documents (as defined in the Purchase Agreement), Company shall not effect any issuance of Purchase Shares pursuant to this Pre-Paid Purchase to the extent that after giving effect to such issuance would cause Investor (together with its affiliates) to beneficially own a number of Common Shares exceeding 9.99% of the number of Common Shares outstanding on such date (including for such purpose the Common Shares issuable upon such issuance) (the “**Maximum Percentage**”). For purposes of this section, beneficial ownership of Common Shares will be determined pursuant to Section 13(d) of the 1934 Act (as defined in the Purchase Agreement). The Maximum Percentage is enforceable, unconditional and non-waivable and shall apply to all affiliates and assigns of Investor.

3.2. Closings. The closing of each Purchase and each sale and purchase of Purchase Shares (each, a “**Closing**”) shall take place as soon as practicable on or after each Purchase Notice Date in accordance with the procedures set forth below:

(a) Promptly after receipt of a Purchase Notice with respect to each Purchase and, in any event, not later than three (3) Trading Days after such receipt, Company will, or will cause its transfer agent to, electronically transfer such number of Purchase Shares to be purchased by Investor (as set forth in the Purchase Notice) by crediting Investor’s account or its designee’s account at DTC through its DWAC system or by such other means of delivery as may be mutually agreed upon by the parties hereto, and transmit notification to Investor that such share transfer has been requested. Promptly upon receipt of such notification, Investor shall pay to Company the aggregate purchase price for the Purchase Shares (as set forth in the Purchase Notice) by offsetting the Purchase Amount against an equal amount outstanding under this Pre-Paid Purchase (first towards accrued and unpaid interest, if any, and then towards outstanding principal as shown in such Purchase Notice). No fractional shares shall be issued, and any fractional amounts shall be rounded to the nearest whole number of shares. To facilitate the transfer of the Purchase Shares by Investor, the Purchase Shares will not bear any restrictive legends so long as there is an effective Registration Statement or an available exemption from registration covering such Purchase Shares (it being understood and agreed by Investor that notwithstanding the lack of restrictive legends, Investor may only sell such Purchase Shares in compliance with the requirements of the Securities Act (including any applicable prospectus delivery requirements)).

(b) In connection with each Closing, each of Company and Investor shall deliver to the other all documents, instruments and writings expressly required to be delivered by either of them pursuant to this Pre-Paid Purchase in order to implement and effect the transactions contemplated herein.

#### 4. Triggering Events; Events of Default and Remedies.

4.1. Triggering Event. If, at any time prior to this Pre-Paid Purchase being paid in full: (i) the VWAP is less than the Floor Price for at least five (5) Trading Days during a period of seven (7) consecutive Trading Days (a “**Floor Price Trigger**”), or (ii) Company has issued ninety percent (90%) or more of the Common Shares available under the Exchange Cap (as defined in the Purchase Agreement) (an “**Exchange Cap Trigger**,” and together with the Floor Price Trigger, each a “**Trigger**”) (the last such day of each such occurrence, a “**Trigger Date**”), then Company shall make monthly repayments in cash of amounts outstanding under this Pre-Paid Purchase beginning on the third (3<sup>rd</sup>) Trading Day after the Trigger Date and continuing on the same day of each successive calendar month until the entire Outstanding Balance shall have been paid or until the payment obligation ceases in accordance with this section. Each monthly payment shall be in an amount equal to the sum of (i) \$550,000.00, and (ii) all outstanding accrued and unpaid interest in respect of this Pre-Paid Purchase as of each payment date. The obligation of Company to make monthly payments hereunder shall cease (with respect to any payment that has not yet come due) if at any time after the Trigger Date (i) the VWAP is greater than 120% of the Floor Price for a period of five (5) consecutive Trading Days, in the case of a Floor Price Trigger, or (ii) the Exchange Cap no longer applies, in the case of an Exchange Cap Trigger, unless a subsequent Trigger occurs.

4.2. Event of Default. The following are events of default under this Pre-Paid Purchase (each, “**Event of Default**”): (a) Company fails to pay any principal, interest, fees, charges, or any other amount when due and payable hereunder; (b) a receiver, trustee or other similar official shall be appointed over Company or a material part of its assets and such appointment shall remain uncontested for thirty (30) days or shall not be dismissed or discharged within sixty (60) days; (c) Company becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; (d) Company makes a general assignment for the benefit of creditors; (e) Company files a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); (f) an involuntary bankruptcy proceeding is commenced or filed against Company; (g) Company fails to observe or perform any covenant set forth in Section 4 or Section 5 of the Purchase Agreement; (h) the occurrence of a Fundamental Transaction without Investor’s prior written consent; (i) Company fails to timely establish and maintain the Share Reserve (as defined in the Purchase Agreement); (j) Company fails to deliver any Purchase Shares in accordance with the terms hereof; (k) any money judgment, writ or similar process is entered or filed against Company or any subsidiary of Company or any of its property or other assets for more than \$500,000.00, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) calendar days unless otherwise consented to by Investor; (l) Company fails to be DWAC Eligible for a period of five (5) Trading Days; (m) Company or any subsidiary of Company, breaches any covenant or other term or condition contained in any Other Agreement in any material respect; (n) Company defaults or otherwise fails to observe or perform (following any applicable cure period) any covenant, obligation, condition or agreement of Company contained herein or in any other Transaction Document (as defined in the Purchase Agreement) in any material respect, other than those specifically set forth in this Section 4.2 and Section 4 and Section 5 of the Purchase Agreement; (o) any representation, warranty or other statement made or furnished by or on behalf of Company to Investor herein, in any Transaction Document, or otherwise in connection with the issuance of this Pre-Paid Purchase is false, incorrect, incomplete or misleading in any material respect when made or furnished; or (p) Company effectuates a reverse split of its Common Shares without ten (10) Trading Days prior written notice to Investor.

4.3. Default Remedies. At any time and from time to time following the occurrence of any Event of Default, Investor may accelerate this Pre-Paid Purchase by written notice to Company, with the Outstanding Balance becoming immediately due and payable in cash at the Mandatory Default Amount. Notwithstanding the foregoing, upon the occurrence of any Event of Default described in clauses (b) – (f) of Section 4.2, an Event of Default will be deemed to have occurred and the Outstanding Balance as of the date of the occurrence of such Event of Default shall become immediately and automatically due and payable in cash at the Mandatory Default Amount. At any time following the occurrence of any Event of Default, upon written notice given by Investor to Company, interest shall accrue on the Outstanding Balance beginning on the date the applicable Event of Default occurred at an interest rate equal to the lesser of fifteen percent (15%) per annum or the maximum rate permitted under applicable law (“**Default Interest**”). Notwithstanding the foregoing, and for the avoidance of doubt, Investor may continue making Purchases pursuant to Section 3 at any time following an Event of Default until such time as the Outstanding Balance is paid in full. In connection with acceleration described herein, Investor need not provide, and Company hereby waives, any presentment, demand, protest or other notice of any kind, and Investor may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Investor at any time prior to payment hereunder and Investor shall have all rights as a holder of the Pre-Paid Purchase until such time, if any, as Investor receives full payment pursuant to this Section 4.3. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon. Nothing herein shall limit Investor’s right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to Company’s failure to timely deliver Purchase Shares pursuant to a Purchase as required pursuant to the terms hereof.

5. Unconditional Obligation; No Offset. Company acknowledges that this Pre-Paid Purchase is an unconditional, valid, binding and enforceable obligation of Company not subject to offset, deduction or counterclaim of any kind. Company hereby waives any rights of offset it now has or may have hereafter against Investor, its successors and assigns, and agrees to make the payments or Purchases called for herein in accordance with the terms of this Pre-Paid Purchase.

6. Waiver. No waiver of any provision of this Pre-Paid Purchase shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

7. Adjustment of Fixed Price upon Subdivision or Combination of Common Shares. Without limiting any provision hereof, if Company at any time on or after the Effective Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding Common Shares into a greater number of shares, the Fixed Price in effect immediately prior to such subdivision will be proportionately reduced. Without limiting any provision hereof, if Company at any time on or after the Effective Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding Common Shares into a smaller number of shares, the Fixed Price in effect immediately prior to such combination will be proportionately increased. Any adjustment pursuant to this Section 7.2 shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 7.2 occurs during the period that a Market Price is calculated hereunder, then the calculation of such Market Price shall be adjusted appropriately to reflect such event.

7.1. Other Events. In the event that Company (or any subsidiary) shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect Investor from dilution or if any event occurs of the type contemplated by the provisions of this Section 7 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Fixed Price so as to protect the rights of Investor, provided that no such adjustment pursuant to this Section 7.1 will increase the Fixed Price as otherwise determined pursuant to this Section 7, provided further that if Investor does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then Company's board of directors and Investor shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by Company.

8. Opinion of Counsel. In the event that an opinion of counsel is needed for Purchases under this Pre-Paid Purchase, Investor has the right to have any such opinion provided by its counsel.

9. Governing Law; Venue. This Pre-Paid Purchase shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Pre-Paid Purchase shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. The provisions set forth in the Purchase Agreement to determine the proper venue for any disputes are incorporated herein by this reference.

10. Arbitration of Disputes. By its issuance or acceptance of this Pre-Paid Purchase, each party agrees to be bound by the Arbitration Provisions (as defined in the Purchase Agreement) set forth as an exhibit to the Purchase Agreement.

11. Cancellation. After repayment of the entire Outstanding Balance, this Pre-Paid Purchase shall be deemed paid in full, shall automatically be deemed canceled, and shall not be reissued.

12. Amendments. The prior written consent of both parties hereto shall be required for any change or amendment to this Pre-Paid Purchase.

13. Assignments. Company may not assign this Pre-Paid Purchase without the prior written consent of Investor. This Pre-Paid Purchase and any Purchase Shares issued upon Purchase of this Pre-Paid Purchase may be offered, sold, assigned or transferred by Investor without the consent of Company.

14. Notices. Whenever notice is required to be given under this Pre-Paid Purchase, unless otherwise provided herein, such notice shall be given in accordance with the subsection of the Purchase Agreement titled "Notices."

15. Liquidated Damages. Investor and Company agree that in the event Company fails to comply with any of the terms or provisions of this Pre-Paid Purchase, Investor's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates, future share prices, future trading volumes and other relevant factors. Accordingly, Investor and Company agree that any fees, balance adjustments, Default Interest or other charges assessed under this Pre-Paid Purchase are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages (under Investor's and Company's expectations that any such liquidated damages will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144).

16. Severability. If any part of this Pre-Paid Purchase is construed to be in violation of any law, such part shall be modified to achieve the objective of Company and Investor to the fullest extent permitted by law and the balance of this Pre-Paid Purchase shall remain in full force and effect.

*[Remainder of page intentionally left blank; signature page follows]*

IN WITNESS WHEREOF, Company has caused this Pre-Paid Purchase to be duly executed as of the Effective Date.

COMPANY:

**ARRIVE AI INC.**

By: /s/ Dan O'Toole  
Dan O'Toole, Chief Executive Officer

ACKNOWLEDGED, ACCEPTED AND AGREED:  
INVESTOR:

**STREETERVILLE CAPITAL, LLC**

By: /s/ John M. Fife  
John M. Fife, President

[Signature Page to Pre-Paid Purchase #2]

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## ATTACHMENT 1

### DEFINITIONS

For purposes of this Pre-Paid Purchase, the following terms shall have the following meanings:

A1. “**Common Shares**” means shares of Company’s common stock, par value \$0.0002.

A2. “**DTC**” means the Depository Trust Company or any successor thereto.

A3. “**DTC/FAST Program**” means the DTC’s Fast Automated Securities Transfer program.

A4. “**DWAC**” means the DTC’s Deposit/Withdrawal at Custodian system.

A5. “**DWAC Eligible**” means that (a) Company’s Common Shares is eligible at DTC for full services pursuant to DTC’s operational arrangements, including without limitation transfer through DTC’s DWAC system; (b) Company has been approved (without revocation) by DTC’s underwriting department; (c) Company’s transfer agent is approved as an agent in the DTC/FAST Program; (d) the Purchase Shares are otherwise eligible for delivery via DWAC; and (e) Company’s transfer agent does not have a policy prohibiting or limiting delivery of the Purchase Shares via DWAC.

A6. “**Default Effect**” means multiplying the Outstanding Balance as of the date the applicable Event of Default occurred by ten percent (10%) and then adding the resulting product to the Outstanding Balance as of the date the applicable Event of Default occurred, with the sum of the foregoing then becoming the Outstanding Balance under this Pre-Paid Purchase as of the date the applicable Event of Default occurred.

A7. “**Exempt Issuance**” means (a) Common Shares or options issued to employees, consultants, officers or directors of Company pursuant to Company’s equity incentive plan or pursuant to the compensation agreements previously authorized by the Board of Directors; and (b) securities issued pursuant to acquisitions or strategic transactions and the payment of contractor invoices in the ordinary course of business approved by a majority of the disinterested directors of Company, provided that such securities are issued as “restricted securities” (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith and provided that any such issuance shall only be to a person (or to the equityholders of a person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of Company and shall provide to Company additional benefits in addition to the investment of funds, but shall not include a transaction in which Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

A8. “**Fixed Price**” means the Reference Price (as defined the Purchase Agreement).

A9. “**Floor Price**” means \$0.25.

A10. “**Fundamental Transaction**” means that (a) (i) Company or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consolidate or merge with or into (whether or not Company or any of its subsidiaries is the surviving corporation) any other person or entity, or (ii) Company or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other person or entity, or (iii) Company or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, allow any other person or entity to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of voting stock of Company (not including any shares of voting stock of Company held by the person or persons making or party to, or associated or affiliated with the persons or entities making or party to, such purchase, tender or exchange offer), or (iv) Company or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other person or entity whereby such other person or entity acquires more than 50% of the outstanding shares of voting stock of Company (not including any shares of voting stock of Company held by the other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock or share purchase agreement or other business combination), or (v) Company or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, reorganize, recapitalize or reclassify the Common Shares, other than an increase in the number of authorized shares of Company’s Common Shares, or (b) any “person” or “group” (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the “beneficial owner” (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding voting stock of Company. For the avoidance of doubt, Company or any of its subsidiaries entering into a definitive agreement that contemplates a Fundamental Transaction will be deemed to be a Fundamental Transaction.

A11. “**Mandatory Default Amount**” means the Outstanding Balance following the application of the Default Effect.

A12. “**Market Capitalization**” means a number equal to (a) the daily VWAP of the Common Shares on any given Trading Day, multiplied by (b) the aggregate number of outstanding Common Shares as reported on Company’s most recently filed Form 10-Q or Form 10-K.

A13. “**Market Price**” means 90% of the lowest daily VWAP during the ten (10) consecutive Trading Days immediately prior to the Purchase Notice Date, but in any event not lower than the Floor Price.

A14. “**Other Agreements**” means, collectively, (a) all existing and future agreements and instruments between, among or by Company (or an affiliate), on the one hand, and Investor (or an affiliate), on the other hand, and (b) any financing agreement or a material agreement that affects Company’s ongoing business operations.

A15. “**Outstanding Balance**” means as of any date of determination, the Purchase Price, as reduced or increased, as the case may be, pursuant to the terms hereof for payment, Purchases, offset, or otherwise, accrued but unpaid interest, collection and enforcements costs (including actual and reasonable attorneys’ fees) incurred by Investor, transfer, stamp, issuance and similar taxes and fees related to Purchases, and any other fees or charges incurred under this Pre-Paid Purchase.

A16. “**Purchase Notice Date**” means the date the applicable Purchase Notice is delivered by Investor to Company.

A17. “**Purchase Price Date**” means the date the Purchase Price is delivered by Investor to Company.

A18. “**Purchase Shares**” Common Shares purchased pursuant to this Pre-Paid Purchase.

A19. “**Share Purchase Price**” means the lesser of (i) the Fixed Price and (ii) the Market Price.

A20. “**Trading Day**” means any day on which Company’s principal market is open for trading.

A21. “**VWAP**” means the volume weighted average price of the Common Shares on the principal market for a particular Trading Day or set of Trading Days, as the case may be, as reported by Bloomberg.

*[Remainder of page intentionally left blank]*

**EXHIBIT A**

Streeterville Capital, LLC

Arrive AI Inc.

**PURCHASE NOTICE**

On behalf of Streeterville Capital, LLC (“**Investor**”), the undersigned hereby certifies, with respect to the purchase of Common Shares of Arrive AI Inc. (“**Company**”) issuable in connection with this Purchase Notice, delivered pursuant to that certain Pre-Paid Purchase #2, dated as of August 11, 2025 (as amended and supplemented from time to time), as follows:

- A. Purchase Notice Date: \_\_\_\_\_
- B. Purchase Amount: \_\_\_\_\_
- C. Fixed Price: \_\_\_\_\_
- D. Market Price: \_\_\_\_\_
- E. Share Purchase Price (lower of C and D): \_\_\_\_\_
- F. Number of Purchase Shares Due to Investor: \_\_\_\_\_
- G. Outstanding Balance Following Purchase: \_\_\_\_\_

**INVESTOR’S DTC PARTICIPANT #:**

ACCOUNT NAME:

ACCOUNT NUMBER:

ADDRESS:

CITY:

COUNTRY:

CONTACT PERSON:

NUMBER AND/OR EMAIL:

INVESTOR:

**STREETERVILLE CAPITAL, LLC**

By: \_\_\_\_\_  
John M. Fife, President

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**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*  
\_\_\_\_\_  
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*  
\_\_\_\_\_  
**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 June 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*

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**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 June 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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