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

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

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

For the fiscal year ended December 31, 2025

OR

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

OR

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

Date of event requiring this shell company report ______________________

For the transition period from to

Commission file number: 001-38203

Mynd.ai, Inc.

(Exact name of Registrant as specified in its charter)

Not applicable

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

Maples Corporate Services Limited,
PO Box 309,
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(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American depositary shares, each representing 10 ordinary shares par value US$0.001 per share	MYND	NYSE American

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2025, there were 462,192,400 ordinary shares outstanding, par value US$0.001 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
☐ Yes ☒ No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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

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

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

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP	☒	International Financial Reporting Standards as issued by the International Accounting Standards Board	☐	Other	☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

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INTRODUCTION

As used in this Annual Report on Form 20-F (this "Annual Report"), unless the context otherwise requires or otherwise states, references to the "Company," "Mynd," "we," "us," "our," and similar references refer to Mynd.ai, Inc., a company formed under the laws of the Cayman Islands, and its subsidiaries.

FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other U.S. federal securities laws. These statements relate to our current expectations and views of future events, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to, statements relating to:

- our goals and strategies;
- our future business development, financial conditions and results of operations;
- our expectations regarding liquidity and expected cash flows from operations and our ability to continue as a going concern;
- our expectations regarding demand for our educational products and services;
- our ability to attract and retain customers;
- our ability to develop new products and improve and enhance our existing solutions to address additional applications and markets;
- our competitiveness and ability to adapt to technological developments in the use of artificial intelligence;
- our ability to attract, retain and motivate qualified personnel;
- our ability to maintain relationships with our customers and business partners;
- our cash needs and financing plans;
- the imposition of new or increased tariffs on goods we import;
- compliance costs and/or penalties we may incur in connection with certain agreements we have with the Federal Government;
- competition in our industry;
- our ability to protect ourselves against cybersecurity risks and threats;
- our ability to protect or monetize our intellectual property;
- our ability to maintain the listing of our securities on a national securities exchange; and
- relevant government policies and regulations relating to our industry.

You should read this Annual Report and the documents that we refer to in this Annual Report and have filed as exhibits to this Annual Report completely and with the understanding that our actual future results may be materially different from what we expect. Other sections of this Annual Report discuss factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this Annual Report relate only to events or information as of the date on which the statements are made in this Annual Report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Corporate Overview and Structure

Mynd.ai, Inc. (“Mynd” or the “Company”) is a Cayman Islands exempted company and conducts its business through various subsidiaries. Our operations are principally focused in the United States ("U.S."), Europe and the United Kingdom ("U.K."). Unless otherwise indicated, all references to the “Company”, “we”, “us”, our” shall mean the Company and its subsidiaries. For more information on our subsidiaries, please see Item 4C below.

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The following discussion summarizes certain factors that could make an investment in us speculative or risky and should be considered carefully. These risks are interrelated and you should treat them as a whole. Additional risks and uncertainties not presently known to us may also materially and adversely affect our business operations, the value of our ordinary shares/American Depository Shares ("ADS") and our ability to pay dividends to our shareholders. In connection with the forward-looking statements that appear in this Annual Report, in these risk factors and elsewhere, you should carefully review the section above entitled “Forward-Looking Statements.”

Risks Related to our Business, Operations and Financial Condition

We have a recent history of losses, may not be able to achieve or sustain profitability in the future and may incur significant losses for the foreseeable future.

We have incurred net losses in each of the past two fiscal years and we may incur significant losses in the foreseeable future. We had an accumulated deficit of $508.6 million as of December 31, 2025 and experienced losses from continuing operations of $54.1 million and $104.5 million for the years ended December 31, 2025 and 2024, respectively. Due to various macroeconomic factors and changes in our customers' purchasing behaviors, it is difficult for us to predict the future results of our operations. Our growth efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenues sufficiently, or at all, to offset expenses. In addition to the expected costs to grow our business, we also expect to continue to incur significant legal, accounting and other expenses as a public company. Our revenues may continue to decline for a number of possible reasons, including slowing demand for our products or services, increasing competition, a decrease in the growth of, or a demand shift in, our overall market, or a failure to capitalize on growth opportunities. Any failure to increase our revenue as we grow our business could prevent us from achieving or maintaining profitability or maintaining or increasing cash flow on a consistent basis. If we fail to increase our revenue to offset our operating expenses, we may not achieve or sustain profitability in the future.

We have incurred and may incur additional indebtedness.

We currently rely on, and may in the future rely on, the incurrence of indebtedness as a source of liquidity, including amounts that have or may be advanced to us under a certain agreement with our majority shareholder, as described in the immediately following risk factor. As of December 31, 2025, we had approximately $76.3 million of indebtedness outstanding, all of which is secured. Our ability to make payments on and to refinance our existing or future indebtedness will depend on our ability to generate cash in the future from operations, financing or asset sales. This indebtedness could have important consequences. For example, it could:

- increase our vulnerability to adverse economic, industry or competitive developments;
- result in an event of default if we fail to satisfy our obligations with respect to the repayment of interest which event of default could result in all of our debt becoming immediately due and payable and could permit our lenders to foreclose on our assets securing such debt;
- require a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use cash flow to fund our operations, capital expenditures and future business opportunities;
- limit our ability to service our indebtedness; or
- limit our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, or general corporate purposes.

If we are unable to satisfy our obligations with respect to our borrowings, comply with the covenants with respect to such borrowings or fulfill the conditions applicable to such borrowings, or any of our lenders from time to time fail to fund their lending commitments (whether due to insolvency, illiquidity or other reasons), our business, financial condition, results of operations, liquidity and our ability to meet our obligations could be adversely impacted. We could also be forced to take unfavorable actions, including business and legal entity restructuring, limited new business investment, asset sales or dedicating an unsustainable level of our cash flow from operations to the payment of principal and interest on our indebtedness.

If we seek to refinance our indebtedness, we may be unable to do so on terms acceptable to us or at all. Market disruptions, as well as our indebtedness level, may increase our cost of borrowing or adversely affect our ability to refinance our obligations as they become due. If we are unable to refinance our indebtedness or access additional credit, or if short-term or long-term borrowing costs dramatically increase, our ability to meet our short and long-term obligations could be adversely affected, which would have a material adverse effect on our business, financial condition, results of operations and liquidity.

In addition, the level of our indebtedness could put us at a competitive disadvantage compared to our competitors that are less leveraged than us. These competitors could have greater financial flexibility to pursue business strategies and secure financing for their operations. The level of our indebtedness could also impede our ability to withstand downturns in our industry or the economy in general.

The failure by our majority shareholder to make payments under a certain agreement could materially harm our operations and our ability to continue as a going concern.

As further set forth herein, we have entered into an Inventory Management and Consultancy Agreement with NetDragon Websoft Holdings Limited ("NetDragon"), a related party and our majority shareholder, under which NetDragon has agreed, among other things, to assume initial payment responsibility for hardware supplier invoices, subject to a $50 million revolving cap. The agreement provides that in the event NetDragon fails to make timely payment to any supplier, we remain responsible to ensure payment per the supplier’s terms. Accordingly, should NetDragon fail to honor its obligations under this agreement, we would be responsible to make such payments and doing so could have a material adverse effect on our liquidity, operations, relationships with suppliers, and our ability to continue to operate as a going concern. See "*Item 5B – Liquidity and Capital Resources"* and *"Item 7A – Major Shareholders"* below.

We generate a substantial portion of our revenue from the sale of large format interactive display products, and any significant reduction in the sales of these products would materially harm our business.

We currently generate a majority of our revenue from the sale of large format Interactive Flat Panel Display ("IFPD") products. A decrease in demand for our interactive flat panel displays would significantly reduce our revenue. If any of our competitors introduce attractive alternatives to their interactive flat panel displays, we could experience a significant decrease in our sales as customers migrate to those alternative products, which could have a material adverse effect on our business, financial condition or results of operation.

As a result of market saturation, future sales of interactive displays in developed markets may slow or decrease.

As a result of the high levels of penetration in certain developed markets, such as the U.S., U.K., Germany, Denmark, and the Netherlands, the education market for interactive flat panel displays may reach saturation levels. Future sales growth in those markets and other developed markets with similar penetration levels may, as a result, be difficult to achieve, and the Company's sales of interactive flat panel displays may decline in those countries. If we are unable to replace the revenue and earnings that we have historically derived from sales of interactive flat panel displays to the education market in these developed markets, our business, financial condition and results of operations may be materially adversely affected.

Our business is subject to seasonal fluctuations, which may cause our operating results to fluctuate from quarter-to-quarter and adversely affect our working capital and liquidity throughout the year.

Our revenues and operating results normally fluctuate as a result of seasonal variations in our business, driven largely by the purchasing cycles of the educational market. Since the majority of our revenue is driven by U.S. sales and since the bulk of expenditures by school districts occur in the second and third calendar quarters after receipt of budget allocations, we expect quarterly fluctuations in our revenues and operating results to continue. These fluctuations could result in volatility and adversely affect our cash flow. As our business grows, these seasonal fluctuations may become more pronounced. As a result, we believe that sequential quarterly comparisons of our financial results may not provide an accurate assessment of our financial position.

Fluctuations in foreign currency exchange rates could harm our financial performance.

We are subject to inherent risks attributed to operating in a global economy. For the year ended December 31, 2025, the Company generated approximately 64% of its revenue in the U.S., and 36% of its revenue from outside of the U.S., and the majority of our international sales are denominated in foreign currencies. As a result, any movement in the exchange rates between U.S. dollars and the currencies in which we conduct sales in foreign countries may affect our performance. For example, fluctuations in foreign currencies such as the Sterling, Euro and Chinese Yuan, could have an adverse impact on our revenue and operating results. Gains or losses from the revaluation of certain cash balances, accounts receivable, and intercompany balances that are denominated in these currencies will then also adversely impact our net loss.

We rely on highly skilled personnel, and, if we are unable to attract, retain or motivate qualified personnel, we may not be able to operate our business effectively.

Our success depends in large part on continued employment of senior management and key personnel who can effectively operate our business, as well as our ability to attract and retain skilled employees. Competition for highly skilled management, technical, research and development ("R&D") and other employees is intense in the high-technology industry and we may not be able to attract or retain highly qualified personnel in the future. In making employment decisions, particularly in the high-technology industry, job candidates often consider the value of the equity awards they would receive in connection with their employment. Our long-term incentive programs may not be attractive enough or perform sufficiently to attract or retain qualified personnel.

Our success also depends on having highly trained financial, technical, recruiting, sales and marketing personnel. A shortage in the number of people with these skills or our failure to attract them could impede our ability to increase revenues from our existing products and services, ensure full compliance with federal, state and other applicable regulations, or launch new product offerings and would have an adverse effect on our business and financial results.

Recent workforce reductions may lead to instability, voluntary departures of key personnel, and loss of institutional knowledge, which could adversely affect our business operations and results.

We have implemented several reductions in force as part of our efforts to manage costs and align our workforce with our business strategy and needs. These workforce reductions may create uncertainty and instability among our remaining employees, negatively impact employee morale, and make it more difficult to retain personnel we consider valuable to our operations. Employees who were not directly affected by these reductions may nonetheless choose to seek employment elsewhere due to concerns about job security, increased workloads, or changes in our corporate culture. In certain areas of our business, we rely on a limited number of employees who possess specialized knowledge, skills, or relationships that are not easily replicated or transferred. The departure of any such key personnel, whether voluntary or otherwise, could result in significant gaps in institutional knowledge, disrupt ongoing projects or customer relationships, and require substantial time and resources to address. We may not be able to successfully identify, hire, and integrate suitable replacements for departing employees, and any new hires may require significant time to achieve full productivity.

If we are unable to retain key employees or adequately manage the risks associated with concentrated institutional knowledge, we may experience operational disruptions, delays in product development or delivery, deterioration in customer relationships, or an inability to execute on our strategic initiatives, any of which could have a material adverse effect on our business, financial condition, and results of operations.

We rely on our controlling shareholder and certain of its affiliates to provide us with certain services and financing, which may not be sufficient to meet our needs, and we may have difficulty finding replacement services or financing or be required to pay increased costs to replace these services to the extent necessary.

Historically, NetDragon and certain of its affiliates have provided certain services and financing to us. For example, we have entered into an inventory management and consulting agreement with NetDragon pursuant to which NetDragon provides supply-chain consulting services to us. In addition, the agreement provides for an inventory financing arrangement under which NetDragon will assume initial payment responsibility for invoices issued by our hardware suppliers, subject to a revolving credit cap of $50.0 million. If NetDragon ceases to provide services to us for any reason or fails to fulfill its financing obligations, we may not be able to find replacement services or financing at favorable or similar terms, if at all. In addition, if NetDragon fails to make payments on our behalf under the agreement, and we are obligated to pay such invoices, our cash flows may be adversely impacted.

For the foreseeable future, we expect to continue to rely, in substantial part, on NetDragon to provide such services and financing. If we are unable to effectively manage and control its outsourced activities or if the quality, accuracy or quantity of the services provided is compromised for any reason, our ability to conduct our operations could be materially impacted and our business, results of operations and financial condition could be adversely affected.

We rely on third-party contractors located in countries outside of the U.S. (including contractors employed by affiliated companies of our controlling shareholder) for development of our products, which exposes us to risks associated with doing business in that geographic area. If we are not able to continue to use those third-party contractors, our business, financial conditions, and results of operations may be adversely affected.

We use third-party contractors including contractors employed by affiliated companies of our controlling shareholder, who are located in China, Mexico and other countries outside the U.S. to develop current and future product lines, and we expect to continue to use such third party contractors, which exposes us to risks associated with reliance on third-party contractors, including but not limited to:

- the failure of the third party to develop our products on-schedule, or at all, including if our third-party contractors give greater priority to the supply of other products over our products or otherwise do not satisfactorily perform according to the terms of the agreements between us and them;
- the termination or non-renewal of arrangements or agreements by our third-party contractors at a time that is costly or inconvenient for us;
- the breach by the third-party contractors of our agreements with them;
- the failure of third-party contractors to comply with applicable regulatory requirements;
- the failure of the third party to develop our products according to our specifications;

- the misappropriation or unauthorized disclosure of our intellectual property or other proprietary information, including our trade secrets and know-how.

In addition, any disruption in production or inability of our third-party contractors in China or Mexico to develop products that meet our needs, whether as a result of a natural disaster, pandemics, trade disruptions or other causes, could impair our ability to operate our business on a day-to-day basis and to continue development of our product lines.

We operate in a highly competitive industry, and if we are not able to maintain or increase our market share, our business, financial condition and results of operations may be adversely affected.

We are engaged in the interactive education industry and primarily the interactive flat panel display industry and related compute devices and software products and services. We face substantial competition from developers, manufacturers and distributors of interactive learning products and solutions, including interactive whiteboards, interactive flat panel displays, software, software services and any comparable or competitive new products that may be offered in the future. The industry is highly competitive and characterized by frequent product introductions and rapid technological advances. These advances include, for example, substantially increased capabilities and use of interactive whiteboards, interactive flat panel displays and micro-computer-based logging technologies and combinations of them. We face increased competition from companies with strong positions in certain markets we serve, and in new markets and regions that we may enter. These companies manufacture and/or distribute new, disruptive or substitute products that compete for the pool of available funds that our customers have available to purchase our interactive flat panel displays and associated products. Increased competition (particularly from Chinese manufacturers) or other competitive pressures have and may continue to result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on our business, financial condition or results of operations.

In addition, some of our customers are required to purchase equipment by soliciting proposals from a number of sources and, in some cases, are required to purchase from the lowest bidder. While we attempt to price our products competitively based upon the features our products offer, our competitors' prices and other factors, we are often not the lowest bidder and may lose sales to lower bidders.

Competitors may also be able to respond to new or emerging technologies and changes in customer requirements more effectively and faster than we can or they may be able to devote greater resources to the development, promotion and sale of products than we can. Current and potential competitors may establish cooperative relationships among themselves or with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of customers. If these interactive display competitors or other substitute or alternative technology competitors acquire significantly increased market share, it could have a material adverse effect on our business, financial condition or results of operations.

If we are unable to anticipate consumer preferences and successfully develop attractive products, we might not be able to maintain or increase our revenue or achieve profitability.

Our success depends on our ability to identify and originate product and industry trends as well as to anticipate and react to change in demands and preferences of customers in a timely manner. If we are unable to introduce new products or technologies in a timely manner or our new products or technologies are not accepted by our customers, our competitors may introduce more attractive products which would adversely impact our competitive position. Failure to respond in a timely manner to changing consumer preferences could lead to, among other things, lower revenues and excess inventory positions of outdated products.

If we are unable to continually enhance our products and to develop, introduce and sell new technologies and products at competitive prices and in a timely manner, our business will be harmed.

The market for interactive learning and collaboration solutions is still emerging and evolving. It is characterized by rapid technological change and frequent new product introductions, many of which may compete with, be considered as alternatives to or replace our interactive flat panel displays, such as tablet computers. Accordingly, our future success will depend upon our ability to enhance our products and to develop, introduce and sell new technologies and products offering enhanced performance and functionality at competitive prices and in a timely manner.

The development of new technologies and products involves time, substantial costs and risks. Our ability to successfully develop new technologies will depend in large measure on our ability to effectively partner with third party developers and/or maintain a technically skilled research and development staff and to adapt to technological changes and advances in the industry. The success of new product introductions depends on a number of factors, including our ability to fund development of new technologies, timely and successful product introduction, market acceptance, the effective management of purchase commitments and inventory levels in line with anticipated product demand, the availability of components in appropriate quantities and costs to meet anticipated demand, the risk that new products may have quality or other defects and our ability to manage distribution and production issues related to new product introductions. If we are unsuccessful in selling the new products that we develop and introduce, or any future products that we may develop, we may carry obsolete inventory and have reduced available working capital for the development of other new technologies and products.

If we are unable, for any reason, to enhance existing products and or develop, introduce and sell new products in a timely manner, or at all, in response to changing market conditions or customer requirements or otherwise, our business will be harmed.

Defects in our products can be difficult to detect before shipment. If defects occur, they could have a material adverse effect on our business.

Our products are highly complex and sophisticated and, from time to time, have contained and may continue to contain design defects or failures including software “bugs” or glitches that are difficult to detect and correct in advance of shipping. The occurrence of errors and defects in our products could result in loss of, or delay in, market acceptance of our products, including harm to our brand, and correcting such errors and failures in our products could require significant expenditure of capital by us. In addition, we are rapidly developing and introducing new products, and new products may have higher rates of errors and defects than our established products. The consequences of such errors, failures and other defects and claims could have a material adverse effect on our business, financial condition, results of operations and our reputation.

A failure to keep pace with developments in technology could impair our operations or competitive position.

Our business continues to demand the use of sophisticated systems and technology. These systems and technologies must be refined, updated and replaced with more advanced systems on a regular basis in order for us to meet our customers’ demands and expectations. We will need to respond to technological advances and emerging industry standards in a cost-effective and timely manner in order to remain competitive. The need to respond to technological changes may require us to make substantial, unanticipated expenditures. There can be no assurance that we will be able to respond successfully to technological change. If we are unable to respond to technological changes and meet customers’ demands and expectations in a timely basis or within reasonable cost parameters, or if we are unable to appropriately and timely train our employees to operate any of these new systems, our business could suffer. We also may not achieve the benefits that we anticipate from any new system or technology, and a failure to do so could result in higher than anticipated costs or could impair our operating results.

We may not be successful in our strategy to increase sales in the business and corporate markets.

Historically, a significant portion of our revenue has been derived from sales in the education market. Our business strategy contemplates expanding our sales in both the education market, as well as the corporate sector. Successful expansion into the corporate market will require us to develop a unique offering specifically for the corporate market and to develop or acquire new software or partner with a third party to provide software that is attractive specifically to corporate customers. Additionally, we will be required to augment and develop new distribution and reseller relationships, and we may not be successful in developing those relationships. In addition, widespread acceptance of our interactive solutions may not occur due to lack of familiarity with how our products work, the perception that our products are difficult to use and a lack of appreciation of the contribution they can make in the corporate market. In addition, our Promethean brands may be less recognized in these markets as compared to the education market. A key part of our strategy to grow in the corporate market is to develop strategic alliances with companies in the unified communications and collaboration sector, and there can be no assurance that these alliances will help us to successfully grow our corporate market.

Furthermore, our ability to successfully grow in the corporate market depends upon revenue and cash flows derived from sales to the education market. As the education market represents a significant portion of our revenue and cash flow, we utilize cash from sales in the education market for our operating expenses. If we cannot continue to augment and develop new distributor and reseller relationships, market our brands, develop strategic alliances and innovate new technologies, we may not be successful in our strategy to grow in the corporate market.

We face significant challenges growing our sales in foreign markets.

For our products to gain broad acceptance in all markets, we may need to develop customized solutions specifically designed for each country in which we seek to grow sales and to sell those solutions at prices that are competitive in that country. If we are not able to develop, or choose not to support, customized products and solutions for use in a particular country, we may be unable to compete successfully in that country and our sales growth in that country will be adversely affected.

Growth in many foreign countries will require us to price our products competitively in those countries. In certain developing countries, we have been and may continue to be required to sell our products at prices significantly below those that we are currently charging in developed countries. Such pricing pressures could reduce our gross margins and adversely affect our revenue.

Our customers' experience with our products will be directly affected by the availability and quality of our customers' internet access. We are unable to control broadband penetration rates, and, to the extent that broadband growth in emerging markets slows, our growth in international markets could be hindered.

In addition, we may face lengthy and unpredictable sales cycles in foreign markets, particularly in countries with centralized decision making. In these countries, particularly in connection with significant technology product purchases, the Company has experienced recurrent requests for proposals, significant delays in the decision-making process and, in some cases, indefinite deferrals of purchases or cancellations of requests for proposals. If we are unable to overcome these challenges, the growth of our sales in these markets would be adversely affected, and we may be unable to recoup marketing costs, impairing our profitability.

We may invest in research and development, and to the extent our research and development investments do not translate into new solutions or material enhancements to our current solutions, or if we do not use those investments efficiently, or such investments are not sufficient, our business and results of operations may be harmed.

We may invest in research and development efforts internally and/or through third party relationships to develop new products and improve and enhance our existing solutions to address additional applications and markets. If we do not spend our research and development budget efficiently or effectively or if we do not invest enough in R&D, our business may be harmed. Moreover, research and development projects can be technically challenging and expensive and we may not be able to secure third party relationships that will lead to successful innovations, products or services. If we expend a significant amount of resources on research and development and our efforts do not lead to the successful introduction or improvement of solutions that are competitive in our current or future markets, or if we do not invest sufficiently on research and development efforts, it may harm our business, financial condition and results of operations.

Impairment charges may have a material adverse effect on our business, financial condition and operating results.

We have a substantial amount of long-lived assets on our balance sheet, including finite-lived tangible and intangible assets, goodwill, and indefinite-lived intangible assets. Goodwill and our indefinite-lived tradename asset must be tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the asset is impaired. Long-lived assets, other than goodwill and indefinite-lived intangible assets, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through the estimated undiscounted future cash flows derived from such assets. The fair value of each of these assets could decline if projected revenues, operating margins, or cash flows were to be lower in the future due to the effects of the global economy, market conditions, or other causes. If the carrying value of any of these assets were to exceed its fair value, the asset would be written down to its fair value, with the impairment loss recognized as a non-cash charge in our consolidated statements of operations.

The impairment analyses for each of these assets are sensitive to changes in key assumptions used, such as revenues, cash flows, operating margins, royalty rates, growth rates, and discount rates, as well as market multiples of comparable companies. Disruptions in global credit and other financial markets and deteriorating economic conditions, including the impact of inflation or elevated interest rates, could, among other things, cause us to negatively adjust the key assumptions used in the valuations.

Given economic uncertainty and other factors affecting management's assumptions underlying the valuation of our long-lived assets, the assumptions and projections used in the analyses may not be realized and our current estimates could vary significantly in the future, which may result in impairment charges. We may experience additional unforeseen circumstances that adversely affect the value of our long-lived assets, and trigger an evaluation of the recorded amount. Future write-offs as a result of an impairment could have a material adverse impact on our business, financial condition, and operating results.

The observed downward trend, relative to recent prior years, in education technology customer demand throughout all of the key markets in which we operate, together with other adverse conditions, led management to conclude that a triggering event had occurred as of December 31, 2025. Accordingly, management performed quantitative analyses to estimate the applicable recoverability or fair value for each of its finite-lived long-lived asset group, reporting unit, and indefinite-lived intangible asset, as applicable. Each analysis resulted in a determination to not record impairment charges for the applicable asset (see "*Item 5 – Operating and Financial Review – Critical Accounting Estimates – Evaluation of long-lived assets for impairment*"). However, if our estimates or underlying assumptions change in the future, we may be required to record impairment charges in future periods, and such impairment charges could be material.

We may have difficulty in entering into and maintaining strategic alliances with large established third parties.

We have entered into and we may continue to enter into strategic alliances with third parties to gain access to new and innovative technologies and markets. These parties are often large, established companies. Negotiating and performing under these arrangements involves significant time and expense, and we may not have sufficient resources to devote to our strategic alliances, particularly those with companies that have significantly greater financial and other resources than we do. The anticipated benefits of these arrangements may never materialize, and performing under these arrangements may adversely affect our results of operations.

We are dependent on a limited number of third-party manufacturers and key suppliers for the components used in our products. Our suppliers may not be able to always supply components or products to us on a timely basis and on favorable terms, and as a result, our dependency on third party suppliers may adversely affect our revenues.

We do not manufacture any of the products we sell and distribute and, therefore, we rely on our suppliers for all products and components, and we depend on obtaining adequate supplies of quality components on a timely basis with favorable terms. Some of those components, as well as certain complete products that we sell are provided to us by only one key supplier or contract manufacturer. We are subject to disruptions in our operations if our sole or limited supply contract manufacturers decrease or stop production of components and products, or if such suppliers and contract manufacturers do not produce components and products of sufficient quantity. Alternative sources for our components are not always available. Many of our products and components are manufactured overseas. If we are not able to identify alternative sources for our components in a reasonable time or our sole or limited supply contract manufacturers are delayed in their ability to deliver components to us due to supply chain issues or otherwise, our business, financial condition and results of operations may be adversely affected.

In the event we need to and are unable to timely replace a major supplier with a supplier on substantially equivalent terms, we may be unlikely to meet demand for our products, which may materially adversely affect our business, financial condition and results of operations.

Reliance on third-party manufacturers and suppliers entails risks to which we would not be subject if we manufactured the components for our own products, including:

- reliance on the third parties for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreements by the third parties due to factors beyond our control or the insolvency of any of these third parties or other financial difficulties, labor unrest, natural disasters or other factors adversely affecting their ability to conduct their business; and
- possibility of termination or non-renewal of the agreements by the third parties, at a time that is costly or inconvenient for us, because of our breach of the manufacturing agreement or based on our own business priorities.

If our contract manufacturers or our suppliers fail to deliver the required commercial quantities of its components required for our products on a timely basis and at commercially reasonable prices, and we are unable to find one or more replacement manufacturers or suppliers capable of production at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, we would likely be unable to meet demand for our products, and we would lose potential revenue. It may also take a significant period of time to establish an alternative source of supply for our components, which may materially adversely affect our business, financial condition and results of operations.

We, like many other technology companies, rely on microchips and other components to develop our product line, which may face global shortage and supply chain issues, which could negatively affect our business, financial condition, and results of operations.

We rely on microchips and other components to develop our product line and any chip shortages and supply chain constraints would have an adverse impact on our ability to deliver products in a timely manner and increase our cost of revenue due to rising prices for materials. In addition, long lead times for components, and events such as local disruptions, natural disasters or political conflict may cause unexpected interruptions to the supply of our products or components. Any such extended lead times for components or other significant adverse impacts on our supply chain could disrupt or delay our scheduled product deliveries to our customers, resulting in inventory shortage, causing loss of sales and customers or increase in component costs resulting in lower gross margins and free cash flow that could negatively affect our business, financial condition and results of operations.

An information security incident, including a cybersecurity breach (whether the incident or breach is the Company's or one of our vendors), could have a negative impact on our business or reputation.

To meet business objectives, we rely on both internal information technology ("IT") systems and networks, and those of third parties and their vendors, to process and store sensitive data, including confidential research, business plans, financial information, intellectual property, and personal data that may be subject to legal protection. The extensive information security and cybersecurity threats, which affect companies globally, pose a risk to the security and availability of these IT systems and networks, and the confidentiality, integrity and availability of our sensitive data. We continually assess these threats and make investments to increase internal protection, detection and response capabilities, as well as ensure our third-party providers have required capabilities and controls to address these risks. To date, we have not experienced any material impact to our business or operations resulting from information or cybersecurity attacks; however, because of the frequently changing attack techniques, along with the increased volume and sophistication of the attacks, there is the potential for us to be adversely impacted. This impact could result in reputational, competitive, operational or other business harm as well as financial costs and regulatory action. We maintain cybersecurity insurance in the event of an information security or cyber incident for our material legal entities; however, the coverage may not be sufficient to cover all financial losses or such losses may impact legal entities without cybersecurity insurance.

In addition, the risk of cybersecurity incidents has increased in connection with the ongoing war between Russia and Ukraine, driven by justifications such as retaliation for the sanctions imposed in conjunction with the war, or in response to certain companies' continued operations in Russia. For example, the war has been accompanied by cyberattacks against the Ukrainian government and other countries in the region. It is possible that these attacks could have collateral effects on additional critical infrastructure and financial institutions globally, which could adversely affect our operations and could increase the frequency and severity of cyber-based attacks against our information technology systems. While we have taken actions to mitigate such potential risks, the proliferation of malware from the war into systems unrelated to the war or cyberattacks against U.S. companies in retaliation for U.S. sanctions against Russia or U.S. support of Ukraine, could also adversely affect our operations.

Government regulation of education and student information is evolving, and unfavorable developments could have an adverse effect on our results of operations.

We are subject to regulations and laws specific to the education sector because we offer solutions and services to students, collect data from students, and offer education and training. Data privacy and security with respect to the collection of personally identifiable information from minors and in particular, students, continues to be a focus of worldwide legislation and regulation. Within the U.S., many states have enacted student data privacy legislation that goes beyond any federal requirements relating to the collection and use of personally identifiable information and other data from minors. Many of these laws impose direct liability on education technology ("EdTech") operators. Since the end of 2016, a majority of states have introduced legislation that regulates our industry known as the SUPER (Student User Privacy in Education Rights) Act, and several have passed those bills into law. SUPER, and other recent student privacy laws impose direct liability on EdTech operators.

The continued passage of student data legislation could harm our business by causing schools and districts to be hesitant to do business with EdTech providers for fear of violating new legislation and we may be hesitant to develop new technology which collects student data for fear of running afoul of the new legislation thus resulting in a decrease in revenue. These decreases could be caused by, among other possible provisions, the required use of disclaimers or other requirements before students can utilize our services. We post our privacy policies and practices concerning the use and disclosure of student data on our website. However, any failure by us to comply with posted privacy policies, FTC requirements or other privacy-related laws and regulations could result in proceedings by governmental or regulatory bodies or by private litigants that could potentially harm our business, results of operations, and financial condition.

We utilize artificial intelligence and plan to continue to expand our portfolio of products and services which feature artificial intelligence. As this technology is new and developing, it may present both compliance risks and reputational risks, and may require strategic investments. We will need to maintain our competitiveness and any failure to adapt to technological developments or industry trends could harm our business. In addition, regulation and fear associated with use of AI enabled products could result in customers refraining from purchasing our products which could potentially harm our business, results of operations, and financial condition.

We utilize artificial intelligence, machine learning, and similar tools and technologies that collect, aggregate, analyze or generate data or other materials or content (collectively, "AI") in connection with our business. In addition, we plan to continue to expand our portfolio of products and services which feature AI as a component. Given the rapid developments in artificial intelligence, we believe it is likely that the education market has not kept up with recent developments in AI and will thus lag behind other markets in terms of adoption of products which contain AI features and functionality. AI algorithms require massive amounts of data in order to learn and become intelligent enough to be effective. There is a natural suspicion that (i) AI technology may collect data, specifically personal data which is not permitted under applicable law, (ii) AI technology may produce images and text which might infringe on the intellectual property ownership rights of other parties, and (iii) AI technology may use inaccurate or unreliable data to generate the AI thus resulting in inaccurate results or ineffective uses. It is possible that the education market will be cautious in purchasing products which have an AI component for fear that they will inadvertently run afoul of applicable data privacy laws, specifically student data privacy laws, or infringe on third party intellectual property. Furthermore, AI algorithms are based on machine learning and predictive analytics, which can create unintended biases and discriminatory outcomes. We plan to continue to implement measures to address algorithmic bias as we utilize AI features for our products and services. However, there is always a risk that algorithms could produce discriminatory or unexpected results or behaviors (e.g., "hallucinatory behavior," which involves the generation of fabricated information in response to a user's prompt that is presented as factually accurate) that could harm our reputation, business, customers, or stakeholders.

In addition, the use of AI involves significant technical complexity and requires specialized expertise, which presents risks and challenges to the adoption of AI components in our products and services. For example, algorithms may be flawed or datasets may be insufficient, and we may need to hire additional employees with specialized skill sets necessary to address such deficiencies. Any disruption or failure in our AI systems or infrastructure could result in delays or errors in our operations, which could harm our business, results of operations and financial results. Any imposed halt in the adoption of our anticipated AI systems or infrastructure could also harm our business, results of operations and financial results. If we do not sufficiently invest in new technology and industry developments such as AI features and functionality, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our ability to generate demand for services, attract and retain clients, and our ability to develop and achieve a competitive advantage and continue to grow could be negatively affected.

Further, the emergence of competitors who may be able to optimize products, services or strategies that use advanced computing such as cloud computing, as well as other technological changes and developing technologies, such as machine learning and AI, have, and will require us to make new and costly investments. Transitioning to new technologies may be disruptive to resources and the services we provide and may increase our reliance on third party service providers. We may not be successful or may be less successful than our current or new competitors in developing technology that operates effectively across multiple devices and platforms and that is appealing to our customers, either of which would negatively affect our business and financial performance. Moreover, given the rapid pace at which AI has advanced, there has been a push by legislators and even the private sector to consider regulation of AI such that it is not used in a potentially harmful way. The potential for regulation and the fears and suspicions associated with use of AI enabled products could result in customers refraining from purchasing our products which could potentially harm our business, results of operations, and financial condition.

We, along with our Promethean World Limited subsidiary and our Promethean Inc. subsidiary, are subject to compliance with a National Security Agreement ("NSA") with the U.S. Government. Failure to comply with the terms of this NSA could result in significant civil penalties.

We, along with our Promethean World Limited subsidiary and our Promethean Inc. subsidiary entered into an NSA with the Committee on Foreign Investment in the U.S. ("CFIUS"). Generally, the NSA restricts Promethean from disclosing, transferring, or providing access to Protected Data (as defined in the NSA, including certain U.S.-based personally identifiable information) to NetDragon, the Company (with the exception of certain Promethean personnel who are also Company personnel) or persons in China. To date, we have self-reported one or more instances that could give rise to violations of the NSA. No violations occurred in 2025. While CFIUS has not yet imposed penalties for the reported instances, it has the authority to do so if it deems the instances to represent material violations of the NSA, with potential fines of up to $250,000 per material violation or the value of the related transaction, whichever is greater, with the ultimate amount of the penalty imposed being based on the nature of the violations and as determined by CFIUS. Should CFIUS decide to impose penalties for past violations, or if we incur additional violations in the future, we could face significant financial penalties. These penalties could adversely affect our financial condition, results of operations, and cash flows. Furthermore, repeated or severe violations could lead to more stringent oversight and additional operational restrictions, which could impact our ability to conduct business effectively.

We are committed to complying with all terms of the NSA and are taking steps to enhance our compliance program to prevent future violations. However, there can be no assurance that we will be able to fully comply with the NSA at all times, and any failure to do so could result in substantial penalties and other adverse consequences.

We may be subject to claims, suits, government investigations, other proceedings, and consent decrees, including a final penalty notice in the amount of $14.6 million issued by CFIUS under a certain NSA dated May 3, 2021 between NetDragon, Digital Train and the U.S. Government. Notices similar to this can result in further scrutiny and further requirements imposed on our business which may result in limitations on our operations which may materially and adversely affect our business, financial condition, and results of operations.

We are subject to claims, suits, government investigations, other proceedings, and consent decrees involving competition, intellectual property, data privacy and security, consumer protection, tax, labor and employment, commercial disputes, content generated by our users, and the collection and retention of student data and other matters. Due to our manufacturing and sale of an expanded suite of products and services, we are also subject to a variety of claims including product warranty, product liability, and consumer protection claims related to product defects, among other litigation. We may also be subject to claims involving health and safety, hazardous materials usage, other environmental effects, or service disruptions or failures.

On October 9, 2024, Edmodo, LLC, formerly, a wholly owned subsidiary of the Company that was dissolved in June of 2024, received an initial notice of civil monetary penalty ("Initial Notice") in the amount of $14.6 million on the basis of alleged misstatements made by Edmodo during the initial CFIUS investigation of the Edmodo /NetDragon transaction and on the basis of violations of provisions of the NSA entered into on May 3, 2021, which CFIUS alleges represent material violations of the NSA. Following receipt of the Initial Notice, Edmodo (through external counsel) submitted a timely response to the Initial Notice with a Petition for Reconsideration. CFIUS issued a Final Penalty Notice ("Final Notice") on January 14, 2025, for the same amount of civil monetary penalty. Payment of this penalty was due 45 calendar days following the date of the Final Notice. Since Edmodo, with the full knowledge and consent of CFIUS, had been dissolved several months earlier, no payment was made. On April 29, 2025, the Company responded to a request from CFIUS by providing documents and information relating to Edmodo's assets and liabilities. Since that date, there has been no further substantive communication between the Company and CFIUS and it remains a possibility that CFIUS may refer the matter to the Department of Justice ("DOJ") for the DOJ to file an action in Federal District Court to collect the penalty plus interest, additional penalties and handling and processing fees.

If an action is filed by the DOJ, such action will be vigorously defended on the basis that Edmodo LLC was properly dissolved and that there are no likely or reasonable circumstances which warrant the nullification of Edmodo’s certificate of cancellation and thus no penalty can be assessed against a dissolved entity. Additionally, if necessary, arguments will be made that Promethean is not a successor entity to Edmodo and that Promethean should not be responsible for payment of the penalty. We cannot predict if or when the DOJ may decide to file an action to collect the penalty (there is no statute of limitations) or predict with any degree of certainty the outcome of such an action should the DOJ bring one.

Any of these types of legal proceedings can have an adverse effect on the Company because of legal costs, diversion of management resources, negative publicity and other factors. Determining reserves for our pending litigation is a complex, fact-intensive process that requires significant judgment by us. The resolution of one or more such proceedings has resulted in, and may in the future result in, additional substantial fines, penalties, injunctions, and other sanctions that could harm our business, financial condition, and operating results.

Privacy and data protection regulations are complex and rapidly evolving, and we collect, process, store and use personal information and data, which subjects us to governmental regulation and other legal obligations related to privacy; any failure or alleged failure to comply with these laws could harm our business, reputation, financial condition, and operating results.

Authorities around the world have adopted and are considering a number of legislative and regulatory proposals concerning data protection and the secure and lawful processing of personal data. Multiple U.S. states, and countries around the world continue to adopt new privacy and data processing laws, regulatory agencies continue to issue new regulations, update and revise existing regulations, and issue guidance that impact our data processing activities, policies and procedures. Potentially, we may be subject to investigation by regulatory authorities within different countries and such investigations may result in fines and orders requiring that we change our data practices, which could have an adverse effect on our ability to provide services, harming our business operations. Complying with these evolving laws could result in substantial costs and harm the quality of our products and services, negatively affecting our business, and may be particularly challenging during certain times, such as a natural disaster or pandemic. Amongst others, we are and expect to continue to be subject to the following laws and regulations:

- The General Data Protection Regulation ("GDPR"), which applies to all of our personal data processing activities involving a person within the EU including the personal data we process within the products and services that we offer to EU users or customers. Ensuring compliance with the range of obligations created by the GDPR is an ongoing commitment that involves substantial costs. If any of our personal data processing activities within the EU are found to violate GDPR requirements, we may incur substantial fines, have to change our business practices, and face reputational harm, any of which could have an adverse effect on our business. Serious breaches of the GDPR can result in administrative fines of up to 4% of annual worldwide revenues. Fines of up to 2% of annual worldwide revenues can be levied for other specified violations;

- The UK General Data Protection Regulation is substantially similar to the EU's GDPR and, similar to the EU's GDPR, the UK's GDPR, in the event our any of our personal data processing activities within the UK are found to violate the UK's GDPR requirements, we may incur substantial fines, have to change our business practices, and face reputational harm, any of which could have an adverse effect on our business;

- Multiple U.S. states have enacted state privacy laws including, for example, the California Consumer Privacy Act of 2018 ("CCPA"), which came into effect in January of 2020; the California Privacy Rights Act ("CPRA"), which went into effect in January 2023; the Virginia Consumer Data Protection Act ("Virginia CDPA"), which went into effect in January 2023; and the Colorado Privacy Act ("ColoPA"), which went into effect on July 1, 2023; all of which give new data privacy rights to their respective residents (including, in California, a private right of action in the event of a data breach resulting from our failure to implement and maintain reasonable security procedures and practices). Each of these laws imposes significant obligations upon us with regard to any personal data we collect;

- Many U.S. states have also enacted student data privacy laws which apply specifically to the processing of any student personal data. These state student data privacy laws typically prohibit the delivery of advertisements to students or the creation of a profile of a student's online behavior for the purpose of delivering targeted advertisements. These student data privacy laws generally limit the processing of student data only as necessary to deliver the specific product or service that the students' data was originally collected for, and for no other purposes. Ensuring compliance with the range of obligations created by these state student data privacy laws is an ongoing commitment that involves substantial costs. If any of our student personal data processing activities within many US states are found to violate state law requirements, we may incur substantial fines, have to change our business practices, and face reputational harm, any of which could have an adverse effect on our business; and

- Laws such as SB-327 in California and the EU regulation 2023/2854 (the "Data Act") (which came into force in January 2024 and will become applicable in September 2025) regulate the security of data in connection with internet connected devices and ensuring compliance with the range of obligations created by these laws is an ongoing commitment that involves substantial costs. If any of our data processing activities are found to violate the requirements imposed by these laws applicable to connected devices, we may incur substantial fines, have to change our business practices, and face reputational harm, any of which could have an adverse effect on our business.

Further, we are subject to evolving laws and regulations that dictate whether, how, and under what circumstances we can transfer, process and/or receive personal data. On July 10, 2023, the European Commission adopted an adequacy decision for the EU-US Data Privacy Framework ("DPF"). The DPF is the successor to the EU-US privacy shield, which the Court of Justice of the European Union ("CJEU") declared invalid in 2020. The adequacy decision means that U.S. businesses that self-certify under the DPF no longer require separate data transfer mechanisms in order to transfer personal data from the European Union to the U.S. Self-certified companies to the DPF will be able to freely transfer personal data from the European Economic Area to the U.S. without having to conduct a data transfer impact assessment ("DTIA") or implement supplemental measures. However, any company which relies on other data transfer mechanisms, such as Standard Contractual Clauses ("SCCs"), may have to adapt its existing contractual arrangements to incorporate DTIA before transferring data. The validity of data transfer mechanisms remains subject to legal, regulatory, and political developments in both Europe and the U.S., such as recent recommendations from the European Data Protection Board, decisions from supervisory authorities, recent proposals for reform of the data transfer mechanisms for transfers of personal data outside the United Kingdom, and potential legal challenges or other actions that may lead to the invalidation of the adequacy decision the EU has issued in favor of the U.S. or other data transfer mechanisms, which, together with increased enforcement action from supervisory authorities in relation to cross-border transfers of personal data, could have a significant adverse effect on our ability to process and transfer personal data outside of the European Economic Area and/or the United Kingdom.

The requirements for incorporating DTIA to SCCs as well as complying with evolving laws and regulations in this area remain subject to interpretation, including developments which create some uncertainty, and further compliance obligations that could cause us to incur costs or harm the operations of our products and services in ways that harm our business. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data that could increase the cost and complexity of delivering our services and carries the potential of service interruptions in those countries, which could have an adverse effect on our business, financial condition and results of operation.

Executive Order 13873 which became effective on February 4, 2025 seeks to address the threat of China's access to Americans' sensitive personal data and, may in time, adversely impact our business.

Executive Order 13873 (the "Order") became effective on February 4, 2025 in order to protect Americans' sensitive personal data from exploitation by countries of concern. The Order authorizes the Attorney General to prevent the large-scale transfer of American's personal data to countries of concern, provides safeguards around other activities that give those countries access to Americans' sensitive data and directs the DOJ to issue regulations that establish clear protections for Americans' sensitive personal data from access and exploitation by countries of concern. Additionally, the Order directs the DOJ and Homeland Security to set high security standards to prevent access by countries of concern to Americans' data through other commercial means such as data available via investment, vendor, and employment relationships. Given the uncertainty of what regulations and what standards will result from the Order, it is uncertain at this time what impact, if any, the Order may have on the Company's business, but compliance with additional data security regulations could result in an increase in our costs of operations and have an adverse impact on our results of operations.

We are subject to risks inherently related to our international operations.

Sales outside the U.S. represent a significant portion of our revenues. We have committed, and may continue to commit, significant resources to our international operations and sales and marketing activities.

Our significant international operations subject us to several risks related to these international business activities that may increase costs, lengthen sales cycles and require significant management attention. International operations carry certain risks and associated costs, such as the complexities and expense of administering a business abroad, complications in compliance with, and unexpected changes in regulatory requirements under or relating to, foreign laws, international import and export legislation, trading and investment policies, exchange controls, tariffs and other trade barriers, difficulties in collecting accounts receivable, potential adverse tax consequences, uncertainties of laws, difficulties in protecting, maintaining or enforcing intellectual property rights, difficulty in managing a geographically dispersed workforce in compliance with diverse local laws and customs, and other factors, depending upon the country involved. Moreover, local laws and customs in many countries differ significantly and compliance with the laws of multiple jurisdictions can be complex, difficult and costly. Risks inherent in our international operations may have a material adverse effect on our business. See also "*Risk Factors Related to International Trade and Tariff Policies*."

Risks associated with climate change and other environmental impacts, and increased focus and evolving views of our customers, shareholders, and other stakeholders on climate change issues, could negatively affect our business and operations.

The effects of climate change can create short and long-term financial risks to our business, both in the U.S. and globally. We have significant operations located in regions that have been, and may in the future be, exposed to significant weather events and other natural disasters. Climate related changes can increase variability in or otherwise impact natural disasters, including weather patterns, with the potential for increased frequency and severity of significant weather events (e.g., flooding, hurricanes, and tropical storms), natural hazards (e.g., increased wildfire risk), rising mean temperature and sea levels, and long-term changes in precipitation patterns (e.g., drought, desertification, and/or poor water quality). We expect climate change could affect our facilities, operations, employees, and communities in the future, particularly at facilities in coastal areas and areas prone to extreme weather events and water scarcity. Our suppliers are also subject to natural disasters that could affect their ability to deliver or perform under our contracts, including as a result of disruptions to their workforce and critical infrastructure. Disruptions also impact the availability and cost of materials needed for manufacturing and could increase insurance and other operating costs.

We must comply with the U.S. Foreign Corrupt Practices Act as well as similar applicable anti-bribery laws around the world.

We are required to comply with the U.S. Foreign Corrupt Practices Act, which prohibits U.S. companies from engaging in bribery of or other prohibited payments to foreign officials for the purpose of obtaining or retaining business and requires that we maintain adequate financial records and internal controls to prevent such prohibited payments. Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices may occur in countries where we do business. If our competitors engage in these practices, they may receive preferential treatment from personnel of some companies, giving our competitors an advantage in securing business or from government officials who might give them priority in obtaining new business, which would put us at a disadvantage. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties which could materially and adversely affect our financial condition and result in reputational harm.

Our worldwide operations will subject us to income taxation in many jurisdictions, and we must exercise significant judgment to determine our worldwide financial provision for income taxes.

We are subject to income taxation in the U.K., the U.S. and numerous other jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. Although we believe our tax estimates are reasonable, our ultimate income tax liability may differ from the amounts recorded in our financial statements. Any additional income tax liability may have a material adverse effect on our financial results in the period or periods in which such additional liability arises.

Income tax law and regulatory changes in the U.S., the E.U. and other jurisdictions, including income tax law and regulatory changes that may be enacted by the U.S. federal and state governments or as a result of tax policy recommendations from organizations such as the Organization for Economic Co-operation and Development (the "OECD"), have and may continue to have an impact on our financial condition and results of operations.

Certain of our subsidiaries provide products to and may from time to time undertake certain significant transactions with us and our other subsidiaries in different jurisdictions. In general, cross-border transactions between related parties and, in particular, related party financing transactions, are subject to close review by tax authorities. Moreover, several jurisdictions in which we operate have tax laws with detailed transfer pricing rules that require all transactions with nonresident related parties to be priced using arm's-length pricing principles and require the existence of contemporaneous documentation to support such pricing. A tax authority in one or more jurisdictions could challenge the validity of our related party transfer pricing policies. If in the future any taxation authorities are successful in challenging our financing or transfer pricing policies, our income tax expense may be adversely affected and we could become subject to interest and penalty charges, which may harm our business, financial condition and results of operations.

We are subject to non-income taxes in many jurisdictions in which we conduct business and significant judgment is required in determining our exposure for non-income taxes.

We are subject to non-income taxes, including withholding, sales, use, and value added taxes, in various jurisdictions in which we conduct business. Fiscal authorities in one or more of those jurisdictions may contend that our non-income tax liabilities are greater than the amounts we have accrued and/or reserved for. Moreover, future changes in non-income tax laws or regulations may materially increase our liability for such taxes in future periods.

Significant judgment is required in determining our exposure for non-income taxes. These determinations are highly complex and require detailed analysis of the available information and applicable statutes and regulatory materials. Although we believe our tax determinations are reasonable, tax authorities in certain jurisdictions may disagree. Moreover, certain jurisdictions in which we do not collect or pay withholding, sales, use, value added, or other non-income taxes may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, and we may be required to collect or pay such taxes in the future.

If we are unable to ship and transport components and final products efficiently and economically across long distances and borders, our business would be harmed.

We transport significant volumes of components and finished products across long distances and international borders. Any increases in our transportation costs, as a result of increases in the price of oil or otherwise, would increase costs and the final prices of our products to customers. In addition, any increases in customs or tariffs, as a result of changes to existing trade agreements between countries or otherwise, could increase costs or the final cost of products to customers or decrease margins. Such increases could harm our competitive position and could have a material adverse effect on our business. The laws governing customs and tariffs in many countries are complex and often include substantial penalties for non-compliance. Disputes may arise and could subject us to material liabilities and have a material adverse effect on our business. It should be noted that the highly charged geopolitical climate between the U.S. and China has already resulted in the imposition of tariffs on the import of many of our products into the U.S. from China. To the extent that China takes any actions that are seen by the U.S. administration to be adverse in nature to the U.S. or its allies, the U.S. could institute additional tariffs or increase existing tariffs which could have a material adverse effect on our business. See also "*Risk Factors Related to International Trade and Tariff Policies*."

If we are unable to ship and transport components and final products efficiently and economically due to violence and dangerous conditions in certain shipping routes, our business would be harmed.

We transport significant volumes of components and finished products across long distances and international waters. The consequences of piracy are far-reaching and multi-faceted. Shipping companies face increased insurance costs, higher security measures, and disruptions to their supply chains. There is an increased threat of violence and hostage-taking in several shipping routes between China and Europe and the U.S. The carriers we use may be unable to enter certain shipping routes as a result of dangerous conditions or potential violence due to these increased risks. Such increased risks could cause the delivery of our products to be significantly delayed, which could harm our competitive position and have a material adverse effect on our business.

If our procedures to ensure compliance with export control laws are ineffective, our business could be harmed.

Our extensive international operations and sales are subject to far reaching and complex export control laws and regulations in the U.S. and elsewhere. Violations of those laws and regulations could have material negative consequences for us including large fines, criminal sanctions, prohibitions on participating in certain transactions and government contracts, sanctions on other companies if they continue to do business with us and adverse publicity, any of which could have a material adverse effect on our business, financial condition and results of operation.

We have identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future. Failure to remediate such material weaknesses in the future or to maintain an effective system of internal control could impair our ability to comply with the financial reporting and internal controls requirements for publicly traded companies.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on internal control over financial reporting. A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. As set forth in more detail in "*Item 15 - Controls and Procedures*," we have identified several material weaknesses in our internal controls over financial reporting, as well as our plans to mitigate and remediate such weaknesses.

While we believe that the actions we have taken and will continue to take, as outlined in Item 15, will improve our internal control over financial reporting, the implementation of these measures is ongoing and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles. We cannot assure you that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weaknesses we have identified or avoid potential future material weaknesses. If the steps we take do not correct the material weaknesses in a timely manner, we will be unable to conclude that we maintain effective internal controls over financial reporting. Accordingly, there could continue to be a reasonable possibility that these deficiencies or others could result in a misstatement of our accounts or disclosures that would result in a material misstatement of our financial statements that would not be prevented or detected on a timely basis.

If we fail to remediate these material weaknesses or identify new material weaknesses, our ability to record, process and report financial information accurately, and to prepare financial statements within the time periods specified by the rules and forms of the Securities and Exchange Commission ("SEC"), could be adversely affected which, in turn, may adversely affect our reputation and business. In addition, any such failures could result in litigation or regulatory actions by the SEC or other regulatory authorities, loss of investor confidence, delisting of our securities and harm to our reputation and financial condition, or diversion of financial and management resources from the operation of our business.

The process of designing and implementing internal control over financial reporting required to comply with Section 404 of the Sarbanes-Oxley Act will be time consuming, costly and complex. If during the evaluation and testing process, we identify one or more other material weaknesses in our internal control over financial reporting or determine that existing material weaknesses have not been remediated, our management will be unable to assert that our internal control over financial reporting is effective. Even if our management concludes that our internal control over financial reporting is effective, and when required in the future, our independent registered public accounting firm may conclude that there are material weaknesses with respect to our internal controls or the level at which our internal controls are documented, designed, implemented or reviewed. If we are unable to assert that our internal control over financial reporting is effective, or when required in the future, if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our ADSs could be adversely affected and we could become subject to litigation or investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

Fulfilling our obligations as a public company, including with respect to the requirements of and related rules under the Sarbanes-Oxley Act of 2002, and the Dodd-Frank Act, is expensive and time-consuming.

We are subject to the reporting, accounting and corporate governance requirements of the NYSE and the Exchange Act, Sarbanes-Oxley Act of 2002 and Dodd-Frank that apply to issuers of listed equity, which impose certain compliance requirements, costs and obligations upon us. The expenses associated with being a public company include those related to auditing, accounting and legal fees, investor relations, directors’ fees and director and officer liability insurance costs, registrar and transfer agent fees and listing fees, as well as other expenses. In addition, if we are unable to maintain effective internal control over financial reporting, we may be unable to report our financial condition or financial results accurately or to report them within the timeframes required by the SEC.

As a public company, we are required, among other things, to have in place comprehensive governance, financial reporting, compliance and investor relations functions, subject to any exemptions that may apply to us as a “foreign private issuer” and a “controlled company” under applicable NYSE rules and regulations. Failure to comply with any applicable requirements of being a public company listed in the U.S. could subject us to sanctions or investigations by the SEC, NYSE or other regulatory authorities and could potentially cause investors to lose confidence in the accuracy and completeness of our financial reports.

Risk Factors Related to International Trade and Tariff Policies

U.S. tariff policies may increase our costs and disrupt our supply chain.

The Trump administration has previously implemented a comprehensive tariff regime affecting imports from virtually all countries and continues to threaten tariffs on specific products including semiconductors, steel and aluminum, and other technology components. Our interactive display products and software solutions rely on global supply chains that may include components subject to these tariffs. Although recent court rulings have invalidated certain previously imposed tariffs, the ultimate scope, timing, and implementation of any changes, including the process for potential refunds of prior payments, remain uncertain and could result in continued volatility or additional governmental action. Increased tariffs on imported components, finished goods, or materials could significantly increase our cost of goods sold, reduce our profit margins, or require us to raise prices to customers, potentially reducing demand for our products. Additionally, the complexity and unpredictability of the tariff regime creates compliance challenges and may require us to restructure our supply chain, incurring additional costs and operational disruptions.

Trade tensions between the U.S. and China may adversely affect our business and create regulatory complications.

Our majority shareholder, NetDragon, is a Chinese company, and we are subject to a National Security Agreement with the Committee on Foreign Investment in the U.S. ("CFIUS"). The Trump administration has implemented tariffs on Chinese-origin goods, including a 10% "fentanyl" tariff currently in effect. While the U.S. and China reached a trade agreement in November 2025 that temporarily suspended certain tariffs and export controls, this agreement is set to expire in November 2026 and the underlying tensions remain unresolved.

Escalating trade tensions between the U.S. and China could subject us to heightened regulatory scrutiny due to our Chinese ownership, potentially affecting our ability to sell to U.S. government customers or participate in federally funded procurement. Changes in U.S.-China relations could also result in additional restrictions under our CFIUS National Security Agreement, limit our access to Chinese technology or manufacturing capabilities, or create reputational challenges in the U.S. market. Furthermore, retaliatory measures by China, including export controls on critical minerals and rare earth elements, could disrupt our supply chain if our products rely on materials subject to such controls.

Retaliatory tariffs and trade measures by other countries may reduce demand in international markets.

Countries around the world have implemented or threatened retaliatory tariffs in response to U.S. trade policies. The European Union recently suspended tariffs on U.S.-origin goods as part of trade negotiations but has proposed new steel safeguards and other countermeasures. China has implemented tariffs on U.S. agricultural products and other goods, and other countries have taken similar actions. We sell our products globally, and retaliatory trade measures could increase costs for our products in international markets, reduce demand from customers seeking to avoid tariff-affected goods, or create preference for locally manufactured alternatives. Additionally, the global trade environment has become increasingly unpredictable, making it difficult to forecast pricing, plan inventory, or enter into long-term contracts with customers and suppliers.

Our reliance on Mexican manufacturing exposes us to risks from changes in U.S.-Mexico relations and trade policy.

We manufacture a significant portion of our products in Mexico and currently benefit from duty-free treatment under the U.S.-Mexico-Canada Agreement ("USMCA"). While USMCA-qualifying goods from Mexico are currently exempt from the "fentanyl" tariffs that impose a 25% duty on most other Mexican-origin products, this preferential treatment depends on continued compliance with USMCA rules of origin and the agreement's continuation.

The Trump administration has demonstrated a willingness to modify existing trade arrangements with Mexico. The administration has threatened to increase tariffs on Mexican goods, impose additional tariffs on specific products such as water, and has included Mexico among countries threatened with secondary tariffs for purchasing Venezuelan oil. The administration has also threatened Mexico over immigration and drug trafficking issues. USMCA is subject to a joint review in 2026 and could be renegotiated, modified, or terminated, particularly if the administration determines that Mexico is not meeting its obligations under the agreement or if broader U.S.-Mexico relations deteriorate.

If the USMCA is terminated, substantially modified to impose stricter rules of origin requirements, or if our products lose eligibility for duty-free treatment due to changes in the agreement's terms or our supply chain composition, we could face tariffs of 25% or higher on products manufactured in Mexico and imported into the U.S. Such tariffs would significantly increase our costs and could render our Mexican manufacturing operations economically unviable for serving the U.S. market.

Relocating our manufacturing operations from Mexico to another location would require substantial time and capital investment. We would need to identify alternative manufacturing locations, negotiate new supplier and manufacturing agreements, transfer equipment and tooling, qualify new facilities, train personnel, and potentially redesign products to accommodate different manufacturing processes or component availability. During any transition period, we may be unable to fulfill customer orders, may lose customers to competitors, or may be forced to accept significantly reduced profit margins by absorbing tariff costs to maintain market share.

Additionally, alternative manufacturing locations may not offer the same combination of proximity to the U.S. market, labor costs, manufacturing expertise, and supply chain infrastructure that currently make Mexico attractive. Manufacturing in the U.S. would likely result in substantially higher labor costs, while manufacturing in Asia would increase shipping times and costs and could expose us to additional tariffs or geopolitical risks. Any forced relocation of our manufacturing operations would likely result in a permanent increase in our cost structure and could adversely affect our competitive position in the market.

Risk Factors Related to Geopolitical Instability and International Relations

Geopolitical tensions and military actions may disrupt our international operations.

The Trump administration has undertaken military operations and threatened military action in multiple regions where we conduct business. In March 2026, the U.S. commenced significant military operations against Iran which will likely continue for the foreseeable future. In January 2026, the U.S. conducted a military operation in Venezuela to capture President Nicolás Maduro, and the administration has stated the U.S. will "run" Venezuela for an indefinite period. The administration has also threatened military or economic action against Cuba, Colombia, Mexico, and other Latin American countries.

These actions have created significant uncertainty in global uncertainty especially throughout the Middle East, Latin America and the Caribbean, regions where we have customers and distribution partners. Military conflicts, regime changes, economic sanctions, or political instability in countries where we operate could disrupt our sales operations, prevent us from collecting receivables, strand inventory or equipment, endanger our employees, or terminate our relationships with local distributors and resellers. The administration's stated intention to assert greater control over the Western Hemisphere creates ongoing uncertainty about the stability of Latin American markets.

Threats to NATO and European security may reduce demand in European markets.

The Trump administration's National Security Strategy has criticized European allies and questioned the U.S. commitment to European defense, stating that Europe faces "civilizational erasure" and supporting far-right political parties in Europe. The administration has also made repeated threats to acquire Greenland, an autonomous territory of Denmark and a NATO ally. Denmark's Prime Minister has stated that a U.S. attack on Greenland would end NATO.

Europe represents a significant portion of our global customer base. Deterioration of U.S.-European relations, weakening of NATO, or military conflict involving NATO members could create economic instability in European markets, reduce government education budgets as countries redirect spending to defense, disrupt our distribution networks, or create political pressure on European customers to avoid U.S.-affiliated suppliers. Additionally, the administration's support for political movements seeking to dismantle European Union institutions could fragment the European market and create regulatory complexity if the EU weakens or individual countries adopt divergent policies affecting technology procurement.

Unpredictable U.S. foreign policy creates business planning challenges.

The Trump administration has demonstrated a willingness to take unilateral military action without congressional approval or consultation with allies, as evidenced by the Venezuela operation. The administration has also made threats regarding Greenland, Cuba, Iran, and other countries, and has implemented rapidly changing trade policies including tariffs that are frequently modified, suspended, or expanded.

This unpredictability makes it difficult for us to develop long-term business strategies, forecast revenue in international markets, negotiate multi-year contracts with customers or suppliers, or make capital investment decisions. Sudden changes in U.S. foreign policy could render existing business plans obsolete, require rapid operational adjustments, or expose us to unexpected regulatory requirements. The administration's transactional approach to international relations, where alliances and partnerships are evaluated primarily on economic terms, creates additional uncertainty about the stability of markets where U.S. diplomatic relationships have historically supported our business development efforts.

Our Chinese ownership may subject us to heightened scrutiny or restrictions.

NetDragon, our majority shareholder, is a Chinese company and we are subject to a National Security Agreement with CFIUS that restricts our ability to share U.S. personal data with China. The current geopolitical environment has intensified scrutiny of Chinese-owned companies operating in the U.S. and other Western markets. The Trump administration's National Security Strategy emphasizes countering China's economic influence globally, and the administration has implemented export controls, investment restrictions, and other measures targeting Chinese companies and Chinese-owned entities.

Our Chinese ownership could subject us to additional regulatory requirements, limit our ability to participate in government contracts (particularly defense or security-related procurements), create obstacles to acquiring U.S. or allied-nation technology, or result in restrictions on our operations in certain countries or market segments. Changes to CFIUS regulations or our National Security Agreement could impose additional compliance costs or operational limitations. Additionally, our Chinese ownership could create reputational challenges with customers, particularly government entities, who may prefer to avoid suppliers with Chinese ownership due to data security or geopolitical concerns. Any deterioration in U.S.-China relations could exacerbate these risks.

International condemnation of U.S. actions may affect our reputation and market access.

The U.S. military operation in Venezuela has been condemned by numerous countries and international organizations as a violation of international law. The United Nations Charter prohibits members from threatening or using force against other states except in self-defense or with Security Council approval, neither of which applied to the Venezuela operation. European allies, including the United Kingdom, have expressed concern about the operation and emphasized the importance of upholding international law.

As a U.S.-headquartered company with a significant brand presence (Promethean), we may face reputational challenges or customer resistance in international markets where U.S. foreign policy actions are unpopular. Government customers in countries that have condemned U.S. actions may face political pressure to avoid U.S.-based suppliers, or may implement "Buy National" policies favoring domestic or non-U.S. alternatives. Additionally, if international tensions escalate to include economic sanctions, trade restrictions, or diplomatic ruptures, our ability to operate in affected markets could be severely constrained.

Political instability, economic sanctions, military conflicts, or deteriorating diplomatic relations in countries where we have customers could result in: reduced education budgets as governments redirect spending to security or economic stabilization; inability to collect receivables or repatriate funds; loss of distribution partners; evacuation of personnel; asset seizures or nationalization; or complete loss of market access. The interconnected nature of global markets means that instability in one region can have cascading effects on our operations elsewhere, and the current environment of heightened geopolitical tensions increases the likelihood and potential severity of such disruptions.

Impact of U.S. Government Shutdown on SEC Operations.

The potential for a U.S. government shutdown poses significant risks to our operations and compliance obligations. During a shutdown, the Securities and Exchange Commission ("SEC") may suspend or limit its operations, including the review and processing of filings through the EDGAR system. This could lead to delays in the approval of registration statements, periodic reports, and other required disclosures.

Key considerations include:

- Filing Delays: Deadlines for SEC filings remain unchanged, but the inability of the SEC to review submissions may hinder our ability to meet these deadlines.
- Capital Raising Transactions: A shutdown could disrupt ongoing capital raising efforts, including securities offerings, potentially impacting our liquidity and financial position.
- Regulatory Compliance: The uncertainty surrounding SEC operations during a shutdown may complicate our compliance with federal securities laws, increasing the risk of regulatory scrutiny or penalties.

Investors should consider these factors when evaluating our business and financial condition, as the implications of a government shutdown could materially affect our operations and financial results.

Risks Related to U.S. Federal Education Policy Changes

Changes to the U.S. Department of Education and federal education funding may adversely affect demand for our products.

The Trump administration has undertaken significant restructuring of the U.S. Department of Education, including transferring administration of K-12 education programs to other federal agencies such as the Department of Labor. The administration has stated its policy is to "return education to the states," which may result in reduced federal oversight, funding, and standardization of educational technology procurement. These structural changes create uncertainty regarding the continuation, modification, or elimination of federal education programs that have historically supported technology investments in schools. Any reduction in federal education funding or disruption to established procurement channels could reduce demand for our interactive display and software products among U.S. educational institutions.

Federal education funding reductions and grant cancellations could reduce school technology budgets.

The federal government has proposed and implemented significant reductions to education funding. House appropriators have proposed significant cuts to Title I funding and the administration has canceled hundreds of ongoing education grants. The administration has also implemented funding freezes affecting billions of dollars in previously approved education expenditures. Title I funds, which support the majority of U.S. public schools and serve children from low-income families, are a significant source of technology procurement funding for our customers. Reductions in these programs could materially decrease the purchasing power of school districts for educational technology products, including our interactive displays and software solutions.

Expiration of federal pandemic relief funding has reduced school technology budgets.

The Elementary and Secondary School Emergency Relief ("ESSER") funds, which provided $1,900 billion in one-time pandemic relief aid for education, have expired. Many school districts used ESSER funds to purchase educational technology, including interactive displays. The expiration of these funds, combined with uncertainty about replacement funding sources, may result in reduced technology procurement by our school customers and increased price sensitivity in purchasing decisions.

Federal policy shifts toward school choice may fragment our customer base.

The administration has issued executive orders and guidance directing federal agencies to expand educational choice initiatives, including the use of federal formula funds to support K-12 educational choice programs. These policies may redirect federal education funding from traditional public schools to private schools, charter schools, and faith-based educational institutions. While we serve both public and private educational institutions, a significant shift in funding from public to private schools could disrupt established procurement relationships, alter purchasing patterns, and require us to adapt our sales and distribution strategies. Additionally, smaller private schools and homeschool programs may have different technology needs and purchasing capabilities than traditional public school districts.

Uncertainty in federal education policy may delay procurement decisions.

The ongoing restructuring of federal education programs and uncertainty regarding future funding levels may cause school districts to delay or reduce technology procurement decisions. District leaders have expressed wariness about relying on federal funding even when Congress has already approved it. This uncertainty, combined with shifting federal priorities toward math education, career education, and workforce development, may cause schools to reallocate budgets away from interactive display technology or delay purchasing decisions until federal policy stabilizes. Prolonged uncertainty could result in extended sales cycles and reduced revenue from our U.S. education customers.

State-level funding variability may create regional disparities in demand.

As federal education policy shifts responsibility to states, our business may become more dependent on state-level education funding decisions, which vary significantly across jurisdictions. State funding for schools is subject to economic conditions, political priorities, and competing budget demands that differ by state. Additionally, there is uncertainty about state-funded broadband and technology initiatives as federal support shifts to states. This decentralization may create regional disparities in demand for our products, require us to develop state-specific sales strategies, and increase the complexity and cost of our U.S. sales operations.

Changes to federal grant priorities may disadvantage our products.

The administration has announced new grant priorities emphasizing math education, career and technical education, and workforce readiness. While our interactive display and software products can support these educational objectives, shifts in federal funding priorities may favor other types of educational investments or vendors whose products more directly align with stated administration priorities. Additionally, the administration's focus on artificial intelligence in education may create competitive pressure from AI-focused educational technology providers or require us to accelerate our own AI product development to remain competitive for federal grant-funded purchases.

Risks Related to Our Intellectual Property

We may not be able to obtain patents or other intellectual property rights necessary to protect our proprietary technology and business.

Our commercial success depends to a significant degree upon our ability to develop new or improved technologies and products. Some of those new or improved technologies could be protected for use only by us or by our customers by obtaining patents or other intellectual property rights or statutory protection for these technologies and products in the U.S. and other countries. We will seek to patent concepts, components, processes, designs and methods, and other inventions and technologies that we consider having commercial value or that will likely give us a technological advantage. Despite devoting resources to the research and development of proprietary technology, we may not be able to develop technology that is patentable or protectable. Patents may not be issued in connection with pending patent applications, and claims allowed may not be sufficient to allow us to use the inventions that we create exclusively. Furthermore, any patents issued could be challenged, re-examined, held invalid or unenforceable or circumvented and may not provide sufficient protection or a competitive advantage. In addition, despite efforts to protect and maintain patents, competitors and other third parties may be able to design around their patents or develop products similar to our products that are not within the scope of their patents. Finally, patents provide certain statutory protection only for a limited period of time that varies depending on the jurisdiction and type of patent. The statutory protection term of certain of our material patents may expire soon and, thereafter, the underlying technology of such patents can be used by any third-party including competitors.

Prosecution and protection of the rights sought in patent applications and patents can be costly and uncertain, often involving complex legal and factual issues and consume significant time and resources. In addition, the breadth of claims allowed in our patents, their enforceability and our ability to protect and maintain them cannot be predicted with any certainty. The laws of certain countries may not protect intellectual property rights to the same extent as the laws of the U.S. Even if our patents are held to be valid and enforceable in a certain jurisdiction, any legal proceedings that we may initiate against third parties to enforce such patents will likely be expensive, take significant time and divert management's attention from other business matters. There can be no assurances that any of our issued patents or pending patent applications will provide any protectable, maintainable or enforceable rights or competitive advantages to the Company.

In addition to patents, we rely on a combination of copyrights, trademarks, trade secrets and other related laws and confidentiality procedures and contractual provisions to protect, maintain and enforce our proprietary technology and intellectual property rights in the U.S. and other countries. However, our ability to protect our brands by registering certain trademarks may be limited. In addition, while we will generally enter into confidentiality and nondisclosure agreements with our employees, consultants, contract manufacturers, distributors and resellers and with others to attempt to limit access to and distribution of our proprietary and confidential information, it is possible that:

- misappropriation of our proprietary and confidential information, including technology, will nevertheless occur;
- our confidentiality agreements will not be honored or may be rendered unenforceable;
- third parties will independently develop equivalent, superior or competitive technology or products; or
- disputes will arise with our current or future strategic licensees, customers or others concerning the ownership, unauthorized disclosure of our know-how, trade secrets or other proprietary or confidential information will occur.

There can be no assurances that we will be successful in protecting, maintaining or enforcing our intellectual property rights. If we are unsuccessful in protecting, maintaining or enforcing our intellectual property rights, then our business, operating results and financial condition could be materially adversely affected, which could:

- adversely affect our relationships with current or future distributors and resellers of our products;
- adversely affect our reputation with customers;
- be time-consuming and expensive to evaluate and defend;
- cause product shipment delays or stoppages;
- divert management's attention and resources;
- subject us to significant liabilities and damages;

- require us to enter into royalty or licensing agreements; or
- require us to cease certain activities, including the sale of products.

If it is determined that we have infringed, violated or are infringing or violating a patent or other intellectual property right of any other person or if we are found liable in respect of any other related claim, then, in addition to being liable for potentially substantial damages, we may be prohibited from developing, using, distributing, selling or commercializing certain of our technologies and products unless we obtain a license from the holder of the patent or other intellectual property right. There can be no assurances that we will be able to obtain any such license on a timely basis or on commercially favorable terms, or that any such licenses will be available, or that workarounds will be feasible and cost-efficient. If we do not obtain such a license or find a cost-efficient workaround, our business, operating results and financial condition could be materially adversely affected, and we could be required to cease related business operations in some markets and restructure our business to focus on our continuing operations in other markets.

Our business may suffer if it is alleged or determined that our technology or another aspect of our business infringes the intellectual property of others.

The markets in which we will compete are characterized by the existence of many patents and trade secrets and also by litigation based on allegations of infringement or other violations of intellectual property rights. Moreover, in recent years, individuals and groups have purchased patents and other intellectual property assets for the purpose of making claims of infringement to extract settlements from companies like us. Also, third parties may make infringement claims against us that relate to technology developed and owned by one of our suppliers for which our suppliers may or may not indemnify us. Even if we are indemnified against such costs, the indemnifying party may be unable to uphold its contractual obligations and determining the extent of such obligations could require additional litigation. Claims of intellectual property infringement against the Company or its suppliers might require us to redesign our products, enter into costly settlements or license agreements, pay costly damage awards or face a temporary or permanent injunction prohibiting us from marketing or selling our products or services. If we cannot or do not license the infringed intellectual property on reasonable terms or at all, or substitute similar intellectual property from another source, our revenue and operating results could be adversely impacted. Additionally, our customers and distributors may not purchase our offerings if they are concerned that they may infringe third party intellectual property rights. Responding to such claims, regardless of their merit, can be time consuming, costly to defend in litigation, divert management's attention and resources, damage our reputation and cause us to incur significant expenses. The occurrence of any of these events may have a material adverse effect on our business, financial condition and operating results.

Risks Related to the Ownership of our Ordinary Shares or ADSs

The trading price of our ADSs is likely to be volatile, which could result in substantial losses to investors.

The trading price of our ADSs has been, and is likely to continue to be, volatile and could fluctuate widely due to multiple factors, some of which are beyond our control and which may materially adversely affect the market price and marketability of the ADSs and our ability to raise capital through equity financings. These factors include the following:

- regulatory developments affecting us, our customers, or our industry;
- variations in our revenues, earnings, cash flow and data related to our operations;
- changes in market condition, market potential and the competitive landscape;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new offerings, solutions and expansions by us or our competitors;
- fluctuations in global economies;
- changes in financial estimates by securities analysts;
- negative publicity about us, our services or our industry;
- announcements of new regulations, rules or policies relevant to our businesses;
- additions or departures of key personnel and senior management;
- the conversion of our outstanding convertible notes in the principal amount of $71.8 million; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

In the past, shareholders of public companies have brought securities class action suits against certain companies following periods of instability in the market price of their securities. If we were to become involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require it to incur significant expenses to defend the suit, which could harm its results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

Substantial future sales or perceived sales of our Shares or ADSs in the public market could cause the price of our ADSs to decline.

Sales of our Shares or ADSs, either in the public market or through a private placement, or the perception that these sales could occur, could cause the market price of our ADSs to decline. It cannot be predicted what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADS and trading volume could decline.

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about the Company or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who cover us downgrade the ADSs or publish inaccurate or unfavorable research about our business, the market price for our ADSs would likely decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for ADSs to decline.

Any conversion of our senior convertible note will dilute the ownership interest of existing ordinary shareholders and holders of our ADSs.

The conversion into ordinary shares of some or all of the $71.8 million in aggregate principal amount of our Senior Secured Convertible Notes due 2028 will dilute the ownership interests of existing ordinary shareholders and holders of the ADSs. Any sales of the ADSs issuable upon such conversion could adversely affect prevailing trading prices of the ADSs. In addition, any actual or anticipated conversion of the Note into ADSs could significantly depress the trading price of the ADSs.

Shareholders may be subject to limitations on transfer of their ADSs.

Shareholder ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register transfers of our ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

As a “foreign private issuer” incorporated in the Cayman Islands and a "controlled company" within the meaning of the NYSE corporate governance rules, the Company is permitted to, and does, adopt certain home country practices in relation to corporate governance matters that differ significantly from the NYSE corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if the Company complied fully with the NYSE corporate governance listing standards.

The Company is a Cayman Islands exempted company listed on the NYSE and is subject to the NYSE corporate governance listing standards. However, NYSE rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the NYSE corporate governance listing standards. For example, neither the Companies Act (As Revised) of the Cayman Islands nor our memorandum and articles of association requires a majority of our directors to be independent. If the Company chooses to follow certain home country practices, the shareholders may be afforded less protection than they otherwise would under the NYSE corporate governance listing standards applicable to U.S. domestic issuers. See "*Item 16G - Corporate Governance*" for a description of home country corporate governance practices we follow in lieu of the NYSE corporate governance listing standards.

Our status as a "controlled company" could make our ADSs less attractive to some investors or otherwise harm our share price.

As of the date of this Annual Report, NetDragon owns approximately 71.7% of our outstanding ordinary shares. As our majority shareholder, NetDragon continues to be able to control the appointment of our directors, exert substantial influence over our corporate and management policies and determine, without the consent of our other shareholders, the outcome of any corporate transaction or other matter submitted to our shareholders for approval, including potential mergers or acquisitions, asset sales and other significant corporate transactions. NetDragon also has sufficient voting power to approve amendments to our Sixth Amended and Restated Memorandum and Articles of Association (the "A&R MAA"). Accordingly, should the interests of NetDragon differ from those of other shareholders, the other shareholders may not have the same protections afforded to shareholders of companies that are not controlled companies. Our status as a controlled company could make our ADSs less attractive to some investors or otherwise harm the trading price of our ADSs.

We and our shareholders may have conflicts of interest with NetDragon.

Conflicts of interest may arise between NetDragon and us, since NetDragon continues to engage in transactions with us. Further, NetDragon may, from time to time, acquire and hold interests in, or maintain business relationships with, businesses that compete directly or indirectly with us. In general, NetDragon could pursue business interests or exercise its voting power as a shareholder in ways that are detrimental to us but beneficial to themselves or to other companies in which they invest or with whom they have relationships.

In addition, adverse publicity, regulatory scrutiny and pending investigations by regulators or law enforcement agencies involving NetDragon could negatively impact our reputation due to our relationship with NetDragon, which could materially and adversely affect our business, results of operations, financial condition and liquidity.

The Chairman of our board of directors may have actual or potential conflicts of interest due to his NetDragon equity ownership or his current or former NetDragon positions.

The Chairman of our board of directors is, and will likely continue to be, a NetDragon officer and director and, thus, have professional relationships with NetDragon’s other executive officers, directors or employees. In addition, by virtue of our Chairman's current NetDragon positions and ownership of NetDragon equity, these relationships and financial interests may create, or may create the appearance of, conflicts of interest when our Chairman is faced with decisions that could have different implications for NetDragon and us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between NetDragon and us regarding the terms of any agreements between us and NetDragon that may arise from time to time.

Shareholders may face difficulties in protecting their interests, and their ability to protect their rights through U.S. courts may be limited, because the Company is incorporated under Cayman Islands law.

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability. Our corporate affairs are governed by the A&R MAA, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against us and our directors, actions by minority shareholders and the fiduciary duties of our directors under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the English common law, which are generally of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of the Company's shareholders and the fiduciary duties of the Company's directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the U.S. In particular, the Cayman Islands has a different body of securities laws than the U.S. and provides significantly less protection to investors. In addition, Cayman Islands companies may not have the standing to initiate a shareholder derivative action in a federal court of the U.S. There is no statutory recognition in the Cayman Islands of judgments obtained in the U.S., although the courts of the Cayman Islands will in certain circumstances, recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the amended and restated memorandum and articles of association, the register of mortgages and charges, and copies of any special resolutions passed by our shareholders) or to obtain copies of lists of shareholders of these companies. The Company's directors have discretion under the A&R MAA, to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to the Company's shareholders, except as conferred by law or by ordinary resolution of the Company's shareholders. This may make it more difficult for shareholders to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands differ significantly from requirements for companies incorporated in other jurisdictions such as the U.S. If we choose to follow our home country practice, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, public shareholders may have greater difficulty in protecting their interests in the face of actions taken by our management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the U.S.

We are subject to the continued listing requirements of the NYSE American. If we are unable to comply with such requirements, our ADSs may be delisted from the NYSE American, which would limit investors' ability to effect transactions in our ADSs and subject us to additional trading restrictions.

Our ADSs are currently listed on the NYSE American. In order to maintain our listing, we must maintain certain share prices, financial and share distribution targets, including maintaining a minimum amount of stockholders' equity and a minimum number of public stockholders. In addition to these objective standards, the NYSE American may delist the securities of any issuer if, in its opinion, the issuer's financial condition and/or operating results appear unsatisfactory; if it appears that the extent of public distribution or the aggregate market value of the security has become so reduced as to make continued listing on the NYSE American inadvisable; if the issuer sells or disposes of principal operating assets or ceases to be an operating company; if an issuer fails to comply with the NYSE American's listing requirements, including the timely filing of our periodic reports with the SEC; if our ADSs sell at what the NYSE American considers a "low selling price" (generally trading below $0.20 per share for an extended period of time); or if any other event occurs or any condition exists which makes continued listing on the NYSE American, in its opinion, inadvisable.

On May 18, 2026, we received a notice from the NYSE Regulation stating that we were not in compliance with the continued listing standards of the NYSE American under the timely filing criteria included in Section 1007 of the NYSE American Company Guide because we failed to timely file our Annual Report on Form 20-F for the year ended December 31, 2025, which was due to be filed with the SEC no later than May 15, 2026. The delay was due to the Company needing additional time to assess certain accounting matters in order to finalize our financial statements included in this Annual Report. We believe that the filing of this Annual Report will satisfy the late filing delinquency.

No assurance can be given that the Company will continue to meet applicable NYSE continued listing standards. Failure to meet applicable NYSE American continued listing standards could result in a delisting of the ADSs. In the event that our ADSs are delisted from the NYSE American and are not eligible for quotation on another market or exchange, trading of our ADSs could be conducted in the over-the-counter market or on an electronic bulletin board established for unlisted securities, such as the Pink Sheets or the OTC Markets. In such event, investors may face material adverse consequences, including, but not limited to, a lack of trading market, reduced liquidity and market price of the ADSs, decreased analyst coverage of the ADSs, and an inability for us to obtain any additional financing to fund our operations that we may need.

If the ADSs are delisted, the ADSs may be subject to the so-called “penny stock” rules. The SEC has adopted regulations that define a penny stock to be any equity security that has a market price per share of less than $5.00, subject to certain exceptions, such as any securities listed on a national securities exchange. For any transaction involving a penny stock, unless exempt, the rules impose additional sales practice requirements and burdens on broker-dealers (subject to certain exceptions) and could discourage broker-dealers from effecting transactions in our securities, further limiting the liquidity of our shares, and an investor may find it more difficult to acquire or dispose of the securities on the secondary market.

These factors could have a material adverse effect on the trading price, liquidity, value and marketability of our securities.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

We are a foreign private issuer under the Exchange Act, and exempt from certain provisions of the securities rules and regulations in the U.S. that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act subjecting insiders to liability for profits derived from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD promulgated by SEC.

The information we are required to file with or furnish to the SEC is less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you if you were investing in a U.S. domestic issuer.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

In January 2007, we were incorporated under the name of Top Margin Limited, as an exempted company under the laws of the Cayman Islands. In June 2017, we changed our corporate name to RYB Education, Inc., and in May of 2022, we changed our corporate name again to Gravitas Education Holdings, Inc. On December 13, 2023, in connection with the transactions described immediately below under "The 2023 Transactions," we changed our corporate name to Mynd.ai, Inc.

Our principal executive offices are located at 4550 North Point Parkway, Suite 370, Alpharetta, Georgia, 30022. Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC on *www.sec.gov.* We also maintain a website at www.mynd.ai, where we regularly post copies of our press releases as well as additional information about us. From time to time, we may also use our website for disclosure of material information about our business and operations. Our filings with the SEC are available free of charge through the website as soon as reasonably practicable after being electronically filed with or furnished to the SEC. In addition, upon receiving a request from any shareholder or bondholder who wishes to receive a hard copy of the Company's complete audited financial statements, the Company will furnish such audited financial statements free of charge. Such request may either be directed to Mynd.ai, Inc., 4550 North Point Parkway, Suite 370, Alpharetta, Georgia, 30022, Attn: General Counsel or to investorrelations@mynd.ai. Information contained in our website is not a part of, nor incorporated by reference into, this Annual Report or our other filings with the SEC, and should not be relied upon.

All trademarks, service marks and trade names appearing in this Annual Report are the property of their respective holders. Use or display by us of other parties' trademarks, trade dress, or products in this Annual Report is not intended to, and does not, imply a relationship with, or endorsements or sponsorship of, us by the trademark or trade dress owners.

Information on our principal capital expenditures and disposals is included below under "*Item 5. Operating and Financial Review and Prospects.*"

The 2023 Transactions

On April 18, 2023, we entered into an agreement and plan of merger among Bright Sunlight Limited, a Cayman Islands exempted company and a direct, wholly owned subsidiary of the Company (the "Merger Sub"), Best Assistant Education Online Limited, a Cayman Islands exempted company ("Best Assistant") and a controlled subsidiary of NetDragon Websoft Holdings Limited (HKEX: 0777, "NetDragon"), a Cayman Islands exempted company, and solely for purposes of certain named sections thereof, NetDragon (the "Original Merger Agreement") as amended via a certain Omnibus Amendment and Waiver dated as of October 18, 2023 (the "First Amendment"); and as further amended via a Second Omnibus Amendment and Waiver, dated as of December 7, 2023 (the "Second Amendment") (both the First Amendment and the Second Amendment, together with the Original Merger Agreement, are collectively referred to herein as the "Merger Agreement"). The Merger Agreement contemplated that Best Assistant would transfer the education business of NetDragon outside of the Peoples Republic of China ("PRC") to eLMTree Inc., a Cayman Islands exempted company limited by shares and wholly-owned by Best Assistant who became a party to the Merger Agreement by executing a joinder on August 18, 2023 ("eLMTree"), and Merger Sub would merge with and into eLMTree with eLMTree continuing as the surviving company and becoming our wholly owned subsidiary (such transactions collectively, the "Merger").

On December 13, 2023, we consummated the closing of the transactions contemplated by the Merger Agreement and certain other agreements set forth therein (“Closing”), pursuant to which, (i) Best Assistant transferred the education business of NetDragon outside of the PRC to eLMTree, (ii) Merger Sub merged with and into eLMTree with eLMTree continuing as the surviving company and becoming our wholly owned subsidiary, (iii) we changed our name to “Mynd.ai, Inc.” and (iv) we issued 329,812,179 of our ordinary shares to NetDragon WebSoft, Inc. (“ND BVI”), a wholly-owned subsidiary of NetDragon, and 96,610,041 of our ordinary shares to former shareholders of Best Assistant. The Company has since been listed on NYSE American LLC, and our ADS trade under the symbol “MYND.”

Also concurrent with the Closing of the Merger:

- we transferred our entire education business in the PRC to Rainbow Companion, Inc., a purchaser consortium formed by the Founding Shareholders (as hereinafter defined) and their affiliates in consideration of $15 million (the “2023 Disposition”);
- ND BVI, a wholly-owned subsidiary of NetDragon, purchased an aggregate of 8,528,444 of the Company’s ordinary shares from Joy Year Limited, Bloom Star Limited, Ascendent Rainbow (Cayman) Limited (“ACP”), Trump Creation Limited and China Growth Capital Limited (collectively, the “Founding Shareholders”), for an aggregate consideration of $15 million (the “Secondary Sale”); and
- Nurture Education Cayman Limited, an affiliate of ACP, purchased a $65.0 million convertible promissory note from us (the “Convertible Note”).

As a result of the foregoing transactions, we ceased operations of all education business in China and NetDragon, through ND BVI, holds approximately 73% of our outstanding ordinary shares as of December 31, 2025.

The Merger was accounted for as a reverse acquisition where Gravitas Education Holdings, Inc. was the legal acquirer, but eLMTree was deemed to be the acquirer for accounting purposes, resulting in inclusion of eLMTree financial information for all historical periods presented.

Disposition of Early Childcare Learning Business

On October 2, 2024, we completed the sale (the “2024 Disposition”) of all of the Company’s shares of the capital stock in Global Eduhub Holding Limited, a Hong Kong corporation (“GEH”) for cash consideration of $20 million pursuant to the terms of a written agreement dated October 1, 2024 by and among the Company, Strategic Global Group Holdings Pte Ltd (the “Purchaser”) and Ms. Koh Chew Chee, the prior minority owner of GEH prior to the closing of the transaction. The shares sold by the Company constituted eighty-five percent (85%) of the total equity ownership in GEH prior to the consummation of the 2024 Disposition. GEH, through its network of subsidiaries, is engaged in the early childcare learning business in Singapore. The 2024 Disposition reflects the decision by the Company’s management and board of directors to divest itself of non-strategic assets and to focus the Company’s attention and resources on delivering hardware and software solutions for the education, business, and public sectors.

B. Business Overview

We are dedicated to creating a robust, seamless, and comprehensive digital communication and collaboration platform for the education, business, and public sectors. Our solutions include a wide range of interactive tools and technologies, with our award-winning interactive displays at the forefront. Our comprehensive software platform is designed to make it easier than ever to create captivating lessons, presentations, and training programs that immerse people in a world of vibrant multimedia, real-time collaboration, and imaginative instruction.

Promethean

Promethean, our leading subsidiary, is working to transform the way the world learns and collaborates. Promethean produces large touch screen interactive flat-panel displays ("IFPDs") and teaching applications and collaboration software primarily used in the education market in the U.S., the U.K. and Europe. Over the last 25 years, Promethean has sold its front of class solutions in over 125 countries around the globe. Promethean's award-winning IFPD, the ActivPanel, was designed to engage students, connect colleagues, and bring out the brilliance in everyone. Our interactive displays are also integrated with powerful Explain Everything software that provides a state-of-the-art infinite canvas whiteboard to engage students with a wide variety of content and resources directly from the panel, including customizable templates, unsplash imagery, YouTube videos, browsers, clipart, and more. Teachers can import multiple file types directly into the whiteboard and enhance and manipulate them in real time. The Explain Everything Whiteboard App works seamlessly alongside Promethean's other popular Apps such as Timer, Spinner, and Polling. Additionally, Promethean develops award-winning lesson delivery and teaching software. Promethean's Explain Everything Advanced platform can be used to record, edit, and share unlimited lessons within the software using our patented tool enabling students to view them anytime. This platform also integrates with OneDrive, Dropbox, Google Classroom and other applications. In addition, we believe the corporate workplace provides opportunity for similar use cases for our products in meeting rooms, collaboration areas, and training facilities. Our products are currently sold to and used by corporations, and we intend to continue to innovate our solutions for corporate uses to expand and grow our market opportunity.

Founded in 1996 by Tony Cann in Blackburn, England, Promethean was created by teachers, for teachers. Seeking to alleviate teachers' workload, Promethean pioneered interactive whiteboards and sold over one million interactive whiteboards over the following ten years.

As Promethean continued to develop its market leading interactive whiteboards and started to develop its new IFPDs, it sought to further improve student outcomes by designing lesson delivery software including ActivInspire. By 2015, Promethean was one of the few interactive learning companies that had a combined hardware and software solution. In November 2015, NetDragon, a leading developer and operator of online games and mobile internet platforms, acquired Promethean as part of its commitment to scale its online education business to pursue its vision of creating an online learning community, and to bring the "classroom of the future" to schools around the world.

More than 25 years of product development experience and close relationships with the teaching community has positioned the Company to adapt to and understand teacher and student needs, and we believe positions us well to successfully address "pain points" in the classroom. According to management commissioned reports on the world IFPD market, as of December 31, 2025, Promethean held an approximately 19% share of the IFPD market in the U.S. and an approximately 9% share of the global market, excluding China. For the year ended December 31, 2025, Promethean's business in the U.S. generated $107.5 million in revenue and its business outside of the U.S. generated $60.4 million in revenue.

Our global coverage is facilitated by Promethean's strong, far-reaching relationships with over 200 distributor and reseller partners with whom Promethean has a direct relationship, and more than 1,000 resellers globally with whom Promethean has worked with through its distributor relationships.

Product Overview

Our commitment is to deliver solutions to customers' most pressing problems: easy, secure sign-in options, streamlined connection to content, flexible lesson delivery, and personalized user experiences. Promethean products are comprised of interactive smart displays, accessories, and software. Our range of IFPD products includes our recently launched ActivPanel 10, ActivPanel LE and ActivPanel D-Series, each as more fully described below. All of our IFPD products are compatible with our Promethean ActivSuite, Explain Everything, and ActivInspire software.

Interactive Displays

ActivPanel 10 is Promethean's flagship IFPD and has specifically been designed to support freedom of choice, simplicity, and adaptability for Promethean's customers. The ActivPanel 10, with its flexible design, can be seamlessly integrated with connected devices irrespective of whether the operating system of the connected device is Android, Windows or Chrome. This flexibility enables customers to incorporate the ActivPanel 10 into their environments quickly and with the confidence that their ActivPanel investment will remain relevant over time due to the ActivPanel 10's ability to adapt to future technology upgrades. Specifically, as new technologies emerge, customers will be able to simply update or swap their connected compute device without the requirement of having to buy a brand-new interactive display device.

The ActivPanel 10 is available in two models: the ActivPanel 10 and the ActivPanel 10 Premium. Both models are available in various sizes and, depending upon the model selected, come with accessories and software that untether the user from the ActivPanel in classrooms, teaching spaces, offices, conference spaces, and training rooms. In addition, both the ActivPanel 10 and the ActivPanel 10 Premium models include a five-year subscription to Promethean ActivSuite™ which provides users the freedom to untether from the panel and access to Promethean's most popular software applications wherever they are.

ActivPanel LE is Promethean's EDLA-certified, Android-powered interactive display designed to deliver essential classroom tools at an accessible price point. The ActivPanel LE provides a complete, connected, and classroom-ready solution with a powerful built-in operating system that requires no time-consuming training. The panel features built-in access to Google Play and comes pre-installed with Google applications including Google Docs, Slides, Drive, Meet, and YouTube. Additionally, the ActivPanel LE includes Promethean Classroom Essential applications such as Annotate, Explain Everything Whiteboard, Screen Capture, Screen Share Receiver, Spinner, and Timer—enabling educators to begin teaching immediately upon startup.

ActivPanel D-Series is Promethean's purpose-built, non-interactive digital signage solution designed to improve real-time communications in hallways, common areas, and high-traffic spaces. The D-Series enables organizations to instantly broadcast announcements, alerts, and information across all displays using Rise Vision, a cloud-based signage software platform built into the panel, or the customer's preferred content management system. Administrators can centrally manage all screens across their organization using Radix VISO, a web-based management console, or the device management system of their choice. Built for durable, 24/7 performance, the ActivPanel D-Series is backed by Promethean's warranty and support.

Modular Computing

We offer intelligent and flexible modular computing solutions designed to integrate seamlessly with our interactive displays, enabling customers to choose the computing environment that best suits their needs:

- OPS-M: Our Intel-based computing module connects users to the Microsoft ecosystem, pairing with the ActivPanel to create an all-in-one, large format Windows experience.
- Promethean Chromebox OPS: The Chromebox allows users to access the Google ecosystem from their ActivPanel, providing easy access to applications directly from the Google Play Store, including Google Classroom.
- OPS-A: This EDLA-certified, Android 12 computing device which comes preloaded with the most popular Promethean and Google Play Store applications.

MAXHUB Microsoft Teams Room Solution

During the fourth quarter of 2025, we entered into a strategic partnership with MAXHUB (CVTE) to offer Microsoft Teams-certified workplace collaboration solutions that integrate our Promethean interactive displays with MAXHUB's conferencing technology. These products are designed to serve the growing hybrid workplace market and complement our existing ActivPanel10 interactive touch and ActivPanel D-Series display products. Our product offering includes the MAXHUB XCore Kit Pro, XBar v50 Kit, XBar v70 Kit, and XBar u50, all of which are certified by Microsoft to Teams Room certifications. The XCore Kit Pro enables customers to upgrade existing meeting spaces into full Microsoft Teams Rooms by pairing a mini-PC (with a 12th generation Intel Core processor) with a dedicated touch-screen control panel, which can be deployed alongside our ActivPanel 10 Premium display to create integrated collaboration environments. The XBar series of products provides all-in-one conferencing solutions with integrated camera systems featuring AI-powered auto-framing and speaker tracking, multi-microphone arrays with AI noise cancellation, and built-in speakers to deliver complete audio-visual experiences for huddle rooms and conference spaces of varying sizes. These Microsoft-certified products are designed for scalability across various room configurations and feature simplified deployment with single-cable setup, remote device management through the MAXHUB Pivot platform, and enhanced collaboration capabilities including interactive whiteboarding and one-click content sharing.

This product line significantly expands our addressable market beyond education into the enterprise workplace segment, where organizations continue to invest heavily in hybrid meeting infrastructure and collaboration technology. We believe our established brand reputation in interactive technology and our dedicated sales and support teams, combined with our established global network of distributors and resellers and their respective resellers, positions us to compete effectively in the corporate collaboration market and capture market share from this growing segment. By leveraging our existing distribution relationships and go-to-market capabilities, we can efficiently scale this product line with lower customer acquisition costs than competitors entering the market without established channel partnerships.

The MAXHUB solution addresses common workplace pain points—low adoption, fragmented workflows, and complex setups—by pairing intuitive design with professional-grade video conferencing. At the heart of this solution is Promethean's ActivPanel 10 Premium, paired with the ActivPen 2, an all-in-one remote, and a cord-free 4K ePTZ camera, enabling users to interact with content and manage sessions wirelessly.

For IT administrators, the solution offers a locked-down, simplified meeting experience with one-cable setup for console-to-PC connection, reducing installation time and complexity. The solution is ideal for any meeting space looking to enable seamless hybrid collaboration without major infrastructure changes, and works across small, medium, and large rooms.

All MAXHUB products included in the Promethean workplace portfolio are certified for Microsoft Teams Rooms under Microsoft's stringent compatibility and certification processes. The products come with a 3-year advanced replacement warranty and local support, ensuring a seamless user experience and uninterrupted workflow.

Software

The Promethean ActivSuite™ offers a platform for seamless, dynamic, and flexible learning and collaboration. Designed to revolutionize the way users interact with technology, we believe that ActivSuite™ provides unparalleled access to Promethean's most popular applications on any device. We also believe that with ActivSuite™ users experience unmatched freedom and versatility, enabling them to effortlessly transition between the Promethean ActivPanel and other devices**.** Whether users are in the classroom, an office, a conference room or working from home, ActivSuite™ empowers teachers to plan, design and deliver lessons or materials with ease and precision. Promethean applications within the ActivSuite™ are tailored for the user’s environment, K-12 education, higher education, or workplace, and, depending upon the applicable environment, may include Whiteboard, Annotate, Screen Share, Timer, and Spinner. Each such application is crafted to enhance productivity, engagement and collaboration.

Explain Everything Advanced is Promethean’s web-based lesson creation and delivery software platform that brings together some of the most effective and popular education tools, apps, resources, and content into a convenient one-stop shop. Using Explain Everything Advanced, teachers are just a click away from dozens of engaging, customizable templates, loads of shapes, symbols, clipart and other popular online resources. Designed to be used for in-person, remote, and hybrid environments, it allows teachers to record their lessons and then edit them using Promethean's patented tool, so they can be shared with students anytime. Teachers have the flexibility to create compelling, engaging lessons from anywhere at any time and display them on their panel, board, or projector. This platform also integrates with OneDrive, Dropbox, Google Classroom, and much more. Teachers can access a wealth of online videos, webinars and online support.

In December 2025, Promethean launched an AI-powered integration within Explain Everything, incorporating technology licensed from Augment Me Inc. This integration introduces advanced artificial intelligence capabilities directly into the classroom, transforming traditional digital whiteboarding into a dynamic, personalized learning experience. The Augment Me technology integration provides educators with near real-time analysis of attention, engagement, and cognitive readiness, along with actionable recommendations and adaptive feedback tailored to each session—without the need for additional logins or setup. This integration is initially available to Explain Everything Advanced users, with expanded functionality planned for future releases.

ActivInspire, is Promethean’s downloadable and collaborative lesson-delivery software, designed by teachers, for teachers. Capable of being run on any major operating system, ActivInspire allows teachers to seamlessly leverage and enhance existing content and resources. Prominent features of ActivInspire include: ability to smoothly insert multimedia into flipcharts, use of Clock, Timer and Spotlight tools to focus students’ attention, gradual exposure of information with the Revealer tool, interaction with documents, websites, and other resources with the Annotation tool, use of interactive ruler, compass and protractor, and access to free resource pack. ActivInspire is currently offered at no charge with the purchase of Promethean's premium ActivPanels but it is also available for purchase to be used with any third party front of class display device.

Accessories

We also offer accessories for our IFPDs, including the Distance Learning Bundle (with webcam and tripod), Chromebox (facilitating instant access to Google applications and the Google Chrome ecosystem), ActivConnect OPS-M (facilitating access to the Microsoft ecosystem and ability to choose the customer's preferred interactive display operating system), ActivSoundBar (delivering up to 90 decibels of power), ActivPanel Stands (stands and mounts for the ActivPanels), and the OPS-A computing module (an Android 12 device built specifically for use with the ActivPanel LX).

Sales and Marketing

The K-12 education market is highly fragmented, with as many as 61.8 million K-12 classrooms estimated worldwide outside of China. K-12 schools and school districts vary widely in size and often have unique technology requirements, including the need for installation, training, support and service. For these two principal reasons, resellers are the primary conduit through which K-12 schools purchase technology solutions of all types, including hardware, software and cloud-based solutions. Outside of the U.S., distributors are also important as they help facilitate warehousing, logistics, and relationships with resellers.

We believe that our channel-based go-to-market ("GTM") organization is one of the most robust and developed in the K-12 education market. Working with more than 1,000 reseller and distribution channel partners globally, our global GTM team of over 100 dedicated professionals can scale and serve more than 100 different countries around the world. With and through our diverse reseller channel including direct marketing resellers, value added resellers, ProAV system integrators, software resellers and strategic distribution partners, we are able to meet the needs of the core K12 market, while also ensuring expansion into Higher Education, Government and Corporate Workplace markets.

Over the past 25 years we have recruited and developed an ecosystem of resellers and distributors, giving us “eyes and ears” in most markets to help alert us to new sales opportunities, budget availability, replacement cycles, request for proposals ("RFPs") and competitor activity, and providing us with significant sales leverage around the world. We believe that this network of relationships provides us with a critical advantage in introducing our SaaS products, Explain Everything and Promethean ActivSuite, into the market and achieving rapid scale. We develop deep relationships with our customers, distributors, and partners, and drive leads through customer referrals, word of mouth, organic search, digital advertising, social, and field events.

Many of our sales efforts are made with the intent to positively influence customer requirements contained within RFPs and tenders. To be successful with these efforts, we focus on brand awareness activities which include press relations in business, human resources, and education, combined with market specific campaigns including social, digital, and regional events and seminars.

Competition

The interactive education industry is highly competitive and characterized by frequent product introductions and rapid technological advances that have substantially increased the capabilities and use of interactive flat panels and interactive whiteboards. Interactive displays, since the time they were first introduced, have evolved from a high-cost technology that involves multiple components requiring professional installers, to a one-piece technology that is available at increasingly reduced-price points and affords simple installations. With lowered technology entry barriers, we face competition from other developers, manufacturers and distributors of interactive displays and personal computer technologies, tablets, television screens and smart phones including Smart Technologies, ViewSonic, Newline, Dell Computers, Samsung, Panasonic and ClearTouch.

Even with these competitors, we believe the market presents new opportunities in responding to demands to replace outdated and failing interactive displays with more affordable and simpler solution interactive displays. Our ability to integrate technologies and software either internally or in conjunction with third parties, will determine our ability to grow our interactive technology hardware and software business.

Principal Markets

The principal market in which we compete is the K-12 education market where we provide hardware and accessories, services, and SaaS to schools and learning centers in over 125 countries. For a breakdown of our total revenues over the past three years, disaggregated by revenue source and geographic market, please see *Note 4. Revenue Recognition* set forth in our consolidated financial statements under Item 18 herein.

Seasonality

Our revenues and operating results normally fluctuate as a result of seasonal variations in our business, driven largely by the purchasing cycles of the educational market. Traditionally, the bulk of expenditures by school districts occur in the second and third calendar quarters after receipt of budget allocations.

Sources and Availability of Raw Materials

Although we do source microchips and display panels, we do not directly source the raw materials that are used in our products. Our suppliers source various raw materials used in our products and the prices of such raw materials may be subject to volatility based on various market and geopolitical conditions.

Intellectual Property

As of the date of this Annual Report, our (in particular, Promethean's) intellectual property portfolio includes 22 granted and 6 pending patents. Many of our patents have been filed in multiple countries including the U.S., U.K. and Europe. These patents cover various aspects of our hardware and software systems relevant to the education and workplace markets and includes certain intellectual property relating to an AI voice and remote control technology that we acquired from Merlyn Mind Inc. during the third quarter of 2025. For example, Promethean has pending and registered utility patents that cover features such as touch input routing between the IFPD operating system and one or more applications running on the IFPD, systems and methods of mirroring multiple computing devices on an IFPD where the computing devices are connected via different local and wide area networks, system and methods for capturing and displaying annotations and overlays on an IFPD, systems and methods for adjusting user interfaces on the IFPD based on one or more characteristics of the user, and orchestration across both software and hardware. Promethean also has a number of design patents in the U.S. and foreign jurisdictions that cover the industrial design and user interfaces for its IFPDs.

We rely on a combination of trade secret, patent, copyright, and trademark laws, a variety of contractual arrangements, such as license agreements, assignment agreements, confidentiality and non-disclosure agreements, and confidentiality procedures and technical measures to gain rights to and protect the intellectual property used in our business. We actively pursue registration of our patents, trademarks, logos, service marks, and domain names in the U.S. and in other key foreign jurisdictions.

Certain of our products, such as the Mobile Application, ActivPanel Software, Web Portal and Screen Share, use "open source" software that we license from third parties. Open-source software is made available to the general public on an "as-is" basis under the terms of a non-negotiable license. Open-source software is generally freely accessible, usable and modifiable. Certain open-source licenses may require us to offer the components of our software that incorporate the open source software for no cost, make available source code for modifications or derivative works we create based upon incorporating or using the open source software, and license such modifications or derivative works under the terms of the particular open source license. We also rely on certain intellectual property rights that we license from third parties under proprietary licenses. Though such third-party technologies may not continue to be available to us on commercially reasonable terms, or at all, we believe that alternative technologies would be available to us.

We control access to and use of our proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers, and partners, and our software is protected by U.S. and international copyright laws. Our policy is to require employees and independent contractors to sign agreements assigning to the Company any inventions, trade secrets, works of authorship, developments and other processes generated by them on our behalf and agreeing to protect our confidential information, and all of our key employees and contractors have done so. In addition, we generally enter into confidentiality agreements with our vendors and customers. We also control and monitor access to, and distribution of our software, documentation and other proprietary information.

Regulation

Education Technology Sector

We are subject to regulations and laws specific to the education sector because we offer solutions and services to students, collect data from students, and offer education and training solutions that may involve our collection and processing of student personal data or the use of products and services by individuals with disabilities.

Within the U.S., we are subject to federal education and children specific laws such as the Family Educational Rights and Privacy Act ("FERPA") and the Children's Online Privacy Protection Act ("COPPA") as well as numerous U.S. state student data privacy laws.

Within the EU and the U.K. we are subject to laws that govern and regulate the processing of personal data including The General Data Protection Regulation ("GDPR") and the U.K. GDPR.

Within the EU, UK and U.S., we are subject to laws and regulations relating to accessibility and the use of products and services by those with disabilities.

Data privacy and data security with respect to the collection and processing of personally identifiable information continues to be a focus of worldwide legislation and regulation. Similarly, laws and regulations relating to making products and services more accessible continue to evolve. Ensuring compliance with the many laws and regulations applicable to our products and services across multiple jurisdictions requires an ongoing commitment that involves substantial costs. See also "*Item 3.D – Risk Factors - Government regulation of education and student information is evolving, and unfavorable developments could have an adverse effect on our results of operations.*"

More specifically, authorities around the world have adopted and implemented a number of laws and regulations concerning the collection and processing of personal data, the protection and use of such data and accessibility to products and services. Amongst others, we are and expect to continue to be subject to the following laws and regulations:

- The FERPA is a U.S. federal law that protects the privacy of student education records maintained by educational agencies and institutions that receive federal funding. FERPA grants parents certain rights with respect to their children's education records, including the right to access, review, and request amendment of such records, and restricts the disclosure of personally identifiable information from education records without consent. While FERPA applies directly to schools rather than to vendors, schools may disclose student information to third-party service providers designated as "school officials" with a legitimate educational interest, provided that such providers are under the direct control of the school with respect to the use and maintenance of education records and are subject to FERPA's restrictions on redisclosure. Because we provide software and services to schools that may involve access to student education records, our school customers typically require us to enter into agreements that impose FERPA-related obligations, including restrictions on our use and disclosure of student data. Failure to comply with FERPA could result in regulatory enforcement actions, contractual liability to our school customers and reputational harm;

- The COPPA is a U.S. federal law that imposes requirements on operators of websites and online services that are directed to children under 13 years of age, or that have actual knowledge that they are collecting personal information from children under 13. COPPA requires such operators to provide notice of their information practices, obtain verifiable parental consent before collecting personal information from children, and implement reasonable data security measures. The Federal Trade Commission ("FTC") enforces COPPA and may impose civil penalties for violations. In January 2025, the FTC finalized amendments to the COPPA Rule that, among other things, require separate parental consent for disclosures of children's personal information to third parties for targeted advertising, impose data retention limitations, and expand the definition of personal information to include biometric identifiers. Because our educational software products may be used by children (students) under 13, we are subject to COPPA's requirements. In the educational context, schools may consent to the collection of student information on behalf of parents but only for the limited educational purposes of providing the service the school is using for educational purposes. We are responsible for ensuring our data practices comply with the COPPA requirements as failure to comply with COPPA could result in regulatory enforcement actions, contractual liability to our school customers, reputational harm, and civil penalties;

- The EU's General Data Protection Regulation ("GDPR") applies to all of our personal data processing activities involving any person within the EU including the personal data we process within the products and services that we offer to EU users or customers. The GDPR includes a number of personal data processing requirements including but not limited to processing personal data only if a lawful basis to engage in such processing exists, providing prompt notice of any breach or unauthorized access to personal data that we maintain to the appropriate government supervisory authorities, the implementation of appropriate data security measures, and the deletion of personal data when such data is no longer necessary for the purpose it was collected. If we are found to violate the GDPR requirements, we may incur substantial fines, have to change our business practices, and face reputational harm, any of which could have an adverse effect on our business;

- The UK General Data Protection Regulation is substantially similar to the EU's GDPR and specifically applies to all of our personal data processing activities within the UK, including the personal data we process within the products and services that we offer to UK users and customers. If we are found to violate the UK's GDPR requirements, we may incur substantial fines, have to change our business practices, and face reputational harm, any of which could have an adverse effect on our business;

- Multiple U.S. states have enacted state privacy laws including, for example, the California Consumer Privacy Act of 2018 ("CCPA"), which came into effect in January of 2020; the California Privacy Rights Act ("CPRA"), which went into effect in January 2023; the Virginia Consumer Data Protection Act ("Virginia CDPA"), which went into effect in January 2023; and the Colorado Privacy Act ("ColoPA"), which went into effect on July 1, 2023; all of which give new data privacy rights to their respective residents (including, in California, a private right of action in the event of a data breach resulting from our failure to implement and maintain reasonable security procedures and practices);

- Many U.S. states have also enacted student data privacy laws which apply specifically to the processing of any student personal data. These state student data privacy laws typically prohibit the delivery of advertisements to students or the creation of a profile of a student's online behavior for the purpose of delivering targeted advertisements. These student data privacy laws generally limit the processing of student data only as necessary to deliver the specific product or service that the students' data was originally collected for, and for no other purposes. In addition, these state student data privacy laws impose obligations to implement and maintain reasonable data security measures and practices, protect personal data from unauthorized access or disclosure, provide prompt notice in the event of a data breach, and delete personal data promptly following a deletion request from a school or school district. To comply with these laws, many school districts within the U.S. require operators of services used by their schools to enter into student data privacy agreements that require compliance with applicable state and federal laws and include specific provisions limiting use of student data to only use as necessary to facilitate delivery of the service to the school, expressly prohibit use of data for targeted advertising purposes, and contractually require operators to implement and maintain reasonable data security measures and practices, protect personal data from unauthorized access or disclosure, provide prompt notice in the event of a data breach, and delete personal data promptly following a deletion request from the school or school district;

- Laws such as SB-327 in California (effective 2020) and the EU regulation 2023/2854 (the "Data Act") (which came into force in January 2024 and will become applicable in September 2025) regulate the security of data in connection with internet connected devices; and

- Multiple laws and regulations across multiple countries and states impose accessibility requirements on products and services sold to schools and government agencies. In the European Union, the European Accessibility Act and the Web Accessibility Directive require conformance with the EN 301 549 standard, which incorporates the Web Content Accessibility Guidelines ("WCAG"). In the United Kingdom, the Equality Act imposes similar obligations. In the U.S., Section 508 of the Rehabilitation Act, Section 504, and Titles II and III of the Americans with Disabilities Act require that information and communication technology be accessible to individuals with disabilities. Additionally, a number of U.S. states have enacted laws requiring that digital educational content and technology products procured by public schools meet accessibility standards such as WCAG, and additional states may adopt similar requirements. Because we sell interactive displays and educational software to schools and government entities in these jurisdictions, our products and services are subject to these accessibility requirements.

Ensuring compliance with these and similar laws requires an on-going commitment and substantial investments in product design, testing, and, at times, remediation.

Further, we are subject to evolving laws and regulations including but not limited to those laws that dictate whether, how, and under what circumstances we can transfer, process and/or receive personal data. For example, the GDPR permits the transfer of personal data of EU residents to countries outside the EU only if the data is transferred via a mechanism authorized by the GDPR. The UK-GDPR imposes substantially similar restrictions on transfers of personal data of UK residents to countries outside the UK. Both the GDPR and the UK-GDPR provide several data transfer mechanisms that may be used to transfer data from the EU or the UK to another country including the U.S. These data transfer mechanisms include (i) Standard Contractual Clauses ("SCCs") and (ii) an adequacy decision issued by the European Commission or the UK government in favor of the applicable recipient country.

- Regarding the EU, on July 10, 2023, the European Commission adopted an adequacy decision in favor of the U.S. subject to the condition that the U.S. company engaging in the data processing has self-certified under the EU-U.S. Data Privacy Framework ("DPF"). The UK adopted a similar adequacy decision (the "UK Extension" to the DPF) on October 12, 2023. A U.S. business that self-certifies under the DPF can rely upon these adequacy decisions as a lawful basis to transfer personal data from the EU or the UK to the U.S. Alternatively, a U.S. company may rely upon SCCs to transfer personal data from the EU or the UK to the U.S.

- However, the validity of these data transfer mechanisms remains subject to legal, regulatory, and political developments in the EU, the U.S., and the UK. The adequacy decision under the DPF is the successor to the EU-U.S. Privacy Shield, which the Court of Justice of the European Union ("CJEU") declared invalid in 2020. Legal challenges to the DPF, recent and future recommendations from the European Data Protection Board, decisions from EU member states' supervisory authorities, and other legal challenges or actions could lead to the invalidation of any adequacy decision or other data transfer mechanisms currently in use.

The evolving nature of these laws and regulations, coupled with increased enforcement action from supervisory authorities in relation to data processing activities and cross-border transfers of personal data, could have a significant adverse effect on our ability to process and transfer personal data outside of the European Economic Area and/or the U.K. or may require significant changes to our data processing practices and procedures. Compliance with these and other laws requires an ongoing commitment involving substantial costs. See also "*Item 3.D – Risk Factors - Privacy and data protection regulations are complex and rapidly evolving, and we collect, process, store and use personal information and data, which subjects us to governmental regulation and other legal obligations related to privacy; any failure or alleged failure to comply with these laws could harm our business, reputation, financial condition, and operating results*."

Locations

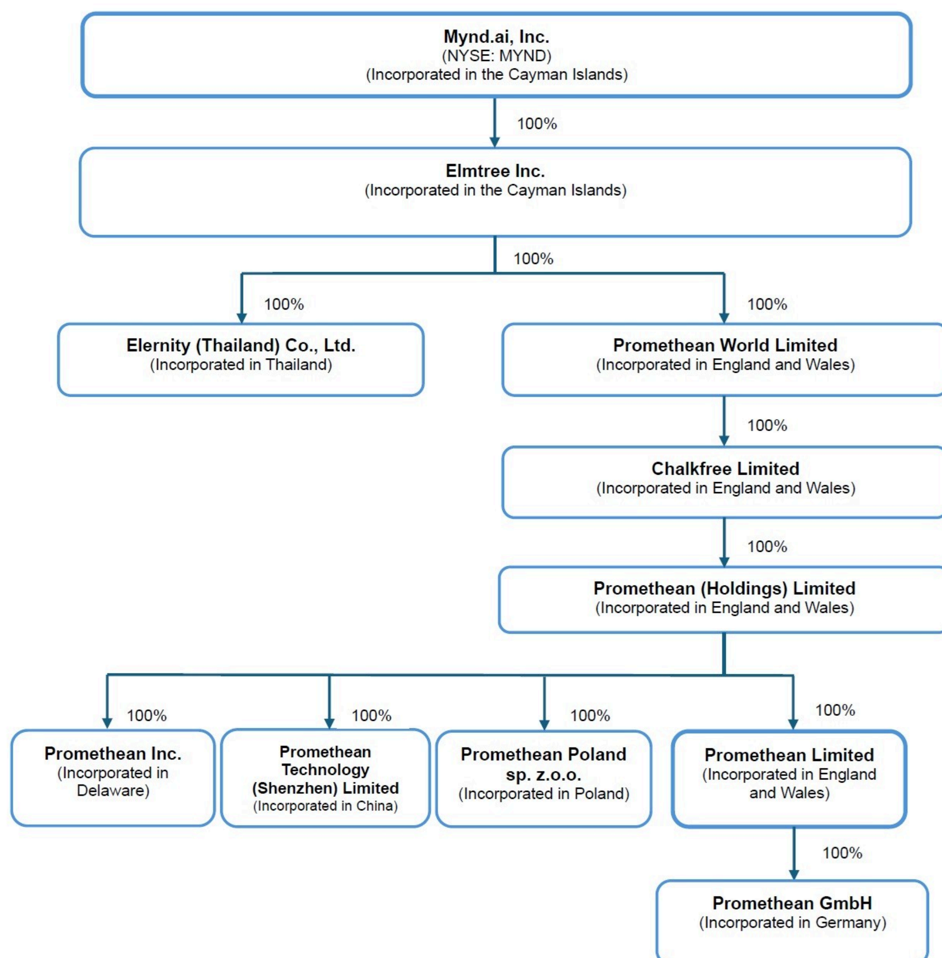
We are headquartered in Alpharetta, Georgia and have other physical office locations in the U.K., Germany, Poland and China.

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. For more information, see "*Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings*."

C. Organizational Structure

Set forth below is a diagram illustrating the Company and our subsidiaries as of the date of this Annual Report.



D. Property, Plant and Equipment

We do not own any material tangible fixed assets. While we do lease properties in certain of our locations, including our 13,791 square foot headquarters in Alpharetta, Georgia, no single lease is material to our business. Commencing in February of 2026, we subleased our prior office space in Seattle Washington, consisting of 8,873 square feet to an unaffiliated third party.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 20-F. This discussion may contain forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements because of various factors, including those set forth under Item 3 "Key Information—D. Risk Factors" or in other parts of this Annual Report on Form 20-F. See also "Introductory Notes—Forward-looking Information."

A. Operating Results

Overview

We are dedicated to creating a robust, seamless, and comprehensive digital communication and collaboration platform for the education, business, and public sectors. Our solutions include a wide range of interactive tools and technologies, with our award-winning interactive displays, highlighted by the ActivPanel 10, ActivPanel LE, and ActivPanel D-series, at the forefront. Our comprehensive software platforms, including ActivSuite, Explain Everything Advanced, and ActivInspire, are designed to make it easier than ever to create captivating lessons, presentations, and training programs that immerse people in a world of vibrant multimedia, real-time collaboration, and imaginative instruction.

Key Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by the general factors affecting the education technology industry in the markets in which we operate. These conditions include the level of overall economic growth, macroeconomic factors such as inflation, international trade and tariff policy, trends in education spending, and the availability of government funding. Our performance is also affected by factors driving uptake of education technology in the markets in which we operate, such as improvements in available education technology and software, and increasing broadband growth and internet access in emerging markets. Unfavorable changes in any of these general factors have had, and could continue to have, a material adverse effect on our results of operations.

Our revenues and operating results historically fluctuate as a result of seasonal variations in our business, driven largely by the purchasing cycles of the educational market. Since the majority of our revenue is driven by U.S. sales, and since the bulk of expenditures by U.S. school districts occur in the second and third calendar quarters after receipt of budget allocations, we expect seasonal fluctuations to continue. These fluctuations may result in volatility in our revenues and operating results and could adversely affect our cash flows. As our business grows, these seasonal fluctuations may become more pronounced. As a result, we believe that sequential comparisons of our financial results may not be indicative of our underlying operating performance or financial condition.

During 2025 and 2024, we experienced a sustained reduction in customer demand for education technology throughout our key markets. We believe this reduction in demand likely reflects uncertainty around future budget allocations for many of our customers, particularly in both the U.S. and German markets as it relates to the timing and amount of future government funding programs. This follows multiple years of unusually high funding as a result of COVID-related government relief programs, which have now ended. While we believe that these trends impacted, to some degree, all of our competitors in the education technology industry, this reduced spending by our customers nonetheless had a material impact on our revenue and operating results during the years ended December 31, 2025 and 2024. While management believes that this downward trend will reverse as schools look to refresh their existing technology solutions, there remains uncertainty as to when this next refresh cycle will begin in earnest.

During 2025, we undertook a period of structural transformation across our senior leadership team, our product development strategies, and our go-to-market approach. From a leadership perspective, we had a change at Chief Executive Officer during the first half of the year, and hired a Chief Revenue Officer in December 2024. These leadership changes, together with broader adjustments to the management teams reporting to our senior executives, supported our transformation initiatives in 2025.

From a product perspective, our team delivered a major refresh of our flagship product with the launch of ActivPanel 10 and expanded into new product categories through the introduction of ActivPanel LE and ActivPanel D-series, as well as new software and hardware partnerships. We also expanded partnerships with our key inventory manufacturers and selected providers of software and services. These changes in our product development strategy are intended to expand our product portfolio, reduce the length of time between product launches, and enhance our ability to deliver integrated solutions valued by our customers.

Additionally, we consolidated and aligned our go-to-market strategies in 2025, resulting in a global approach focused on strengthening relationships with our channel distributors and significant resellers. These changes are intended to leverage our business partners to simplify our go-to-market approach, expand our ability to connect to customers, and position the business for scalable growth moving forward.

We actively monitor trade policy and tariff announcements between the U.S. and other countries throughout the world which could result in the imposing of new and/or additional tariffs. We evaluate the impact of any such tariffs on our business and financial condition, and we consider actions we may take to mitigate the impact. There can be no assurance that the future imposition of any tariffs, changes thereto or potential actions taken by countries in response to the tariffs will not have a material adverse effect upon our results of operations, financial condition, or liquidity in any period, or that any actions we take to mitigate the impact of the tariffs will be effective.

On October 2, 2024, we completed the sale (the "Disposition") of all of our holdings of capital stock in Global Eduhub Holdings Limited and subsidiaries ("GEH Singapore"), constituting 85% of the total equity ownership of GEH Singapore prior to the Disposition, for cash consideration of $20.0 million, pursuant to the terms of a written agreement dated October 1, 2024 between us and an entity controlled by the former minority owner of GEH Singapore prior to the Disposition. This sale represented a strategic shift with a major effect on our operations and financial results, and as a result, the GEH Singapore segment has been presented as discontinued operations and excluded from both continuing operations and segment results for the years ended December 31, 2024 and 2023. There was no ongoing activity from the GEH Singapore sale affecting the year ended December 31, 2025 results of operations.

Key Metrics and Non-GAAP Measures

In reviewing our financial information, management focuses on a number of operating and financial metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

In addition to presenting financial measures in accordance with accounting principles generally accepted in the U.S. ("GAAP"), management's discussion may contain references to earnings before interest, taxes, depreciation and amortization ("EBITDA"), Adjusted EBITDA, and Free Cash Flow, which are non-GAAP financial measures. The non-GAAP financial measures presented herein should not be considered a substitute for, or superior to, the measures of financial performance prepared in accordance with GAAP.

EBITDA, Adjusted EBITDA, and Free Cash Flow are not presentations made in accordance with GAAP, and our use of the terms EBITDA, Adjusted EBITDA, and Free Cash Flow may vary from the use of similarity titled measures by others in our industry due to the potential of inconsistencies in the method of calculation and differences due to items subject to interpretation.

Management uses EBITDA and Adjusted EBITDA (1) to compare our operating performance on a consistent basis, (2) to calculate incentive compensation for our employees, (3) for planning purposes including for purposes of preparing our internal annual operating budget, (4) to evaluate the performance and effectiveness of our operational strategies, and (5) to assess compliance with various metrics associated with the agreements governing our indebtedness. EBITDA and Adjusted EBITDA also eliminate certain items that affect period-over-period comparability and provide consistency with past financial performance, as well as provide additional information about underlying results and trends by excluding certain items that may not be indicative of our business, results of operations, or outlook. Accordingly, we believe that EBITDA and Adjusted EBITDA provides useful information in understanding and evaluating our operating performance in the same manner as management.

We consider Free Cash Flow to be a liquidity measure, and therefore, we adjust our Free Cash Flow metric with amounts that directly impact the cash flows in the period, in addition to our operating activities. Free Cash Flow provides useful information to management and investors about the amount of cash generated by our operations, deducting for investments in or payments for property and equipment and internal-use software development costs to maintain and grow our business.

We believe the presentation of EBITDA, Adjusted EBITDA, and Free Cash Flow provides useful information to management and investors regarding financial and business trends related to our results of operations, and that when non-GAAP financial information is viewed with GAAP financial information, investors are provided with a meaningful understanding of our ongoing operating performance.

Non-GAAP measures should not be considered as alternatives to performance measures derived in accordance with GAAP as a measure of operating performance or liquidity. EBITDA, Adjusted EBITDA, and Free Cash Flow have important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Reconciliations between the non-GAAP financial measures and the most directly comparable GAAP measure are included where applicable.

Revenue

	Year Ended December 31,	
	2025	**2024**
	(in thousands)	
Revenue	$ 167,931	$ 267,381

We generate the majority of our revenue from the sales of hardware and accessory products to a global network of distributors and resellers, who are considered the customers for these products. Although not currently significant to our overall operations, we continue to focus on software-as-a-service ("SaaS") product offerings, with a goal of realizing consistent revenue growth in this line of business in the coming years. Other major sources of revenue include the sale of extended warranties on our hardware products and training services for the use of our hardware.

Revenue is recognized based on when the customer obtains control of the distinct good or service. For hardware revenue, this occurs at the point in time when the goods are shipped by a third-party carrier or when the goods are made available for pick-up by the customer. For SaaS, extended warranties, and training services, revenue recognition occurs over time, as the related services are delivered.

Gross Profit

	Year Ended December 31,	
	2025	2024
	(in thousands, except for %)	
Gross profit	$ 35,288	$ 66,241
Gross profit as a percentage of revenue	21.0%	24.8%

Gross profit primarily represents the difference between the product cost from our suppliers, including the cost of inbound freight, and the sales price to our customers. Gross profit also reflects a number of other costs including, but not limited to, costs of providing warranties on our products, warehousing, amortization of certain intangible assets, depreciation of certain property, plant, and equipment, and allocations of certain employee costs and other shared costs.

Net Loss from Continuing Operations

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Net loss from continuing operations	$ (54,071)	$ (104,477)

EBITDA

We define EBITDA as net loss from continuing operations adjusted for interest expense, interest income, income tax expense (benefit), and depreciation and amortization.

Reconciliation of EBITDA to net loss from continuing operations:

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Net loss from continuing operations	$ (54,071)	$ (104,477)
Interest expense	10,050	10,371
Interest income	(827)	(2,659)
Income tax (benefit) expense	(384)	68,732
Depreciation and amortization	8,995	5,698
EBITDA	$ (36,237)	$ (22,335)

Adjusted EBITDA

We define Adjusted EBITDA as net loss from continuing operations, adjusted for interest expense, interest income, income tax (benefit) expense, depreciation and amortization, non-cash, non-operating expenses such as stock-based compensation, changes in the fair value of derivative instruments, and other income (expense), and other significant items that management does not consider indicative of normal operations. Other significant items, such as one-time, unplanned and/or infrequent events we believe are outside the ordinary course of our continuing operations, including transaction-related costs, restructuring costs, and litigation costs and penalties, involve distinct initiatives that are not reflective of core operating activities, and affect the comparability of our operational results across reporting periods.

Reconciliation of Adjusted EBITDA to net loss from continuing operations:

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Net loss from continuing operations	$ (54,071)	$ (104,477)
Interest expense	10,050	10,371
Interest income	(827)	(2,659)
Income tax (benefit) expense	(384)	68,732
Depreciation and amortization	8,995	5,698
Share-based compensation	2,883	3,698
Gain on embedded derivative	(2,777)	(11,389)
Other (income) expense, net	(2,087)	1,384
Transaction-related costs	304	—
Restructuring and other expenses [1]	6,823	3,484
Litigation costs and penalties [2]	—	1,021
Adjusted EBITDA	$ (31,091)	$ (24,137)

[1] Restructuring costs include employee severance costs, contract termination costs, facility restructuring, and business restructuring efforts undertaken by management.

[2] Litigation costs and penalties are costs incurred to defend against, opportunistically settle, and establish a reserve for claims associated with litigation, as well as any related penalties incurred for such litigation.

Free Cash Flow

We calculate Free Cash Flow as net cash flows from operating activities as presented in the statement of cash flows of our financial statements, less cash flows required for: (i) acquisition of property and equipment; and (ii) development costs associated with internal-use software.

Reconciliation of Free Cash Flow to Net cash provided by (used in) operating activities - continuing operations:

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Net cash used in operating activities - continuing operations	$ (45,503)	$ (875)
Internal-use software development costs	(2,511)	(8,465)
Acquisition of property and equipment, other than internal-use software development costs	(94)	(1,283)
Free Cash Flow	$ (48,108)	$ (10,623)

Results of Operations for the Years Ended December 31, 2025 and 2024

The following discussion and analysis highlights items that affected our results of operations for the years ended December 31, 2025 and 2024. For a discussion of our results of operations for the year ended December 31, 2023, including a year-to-year comparison between 2023 and 2022, and a discussion of our liquidity and capital resources for the year ended December 31, 2023, refer to Item 5, "*Operating and Financial Review and Prospects*" in our Annual Report on Form 20-F for the year ended December 31, 2024.

	Year Ended December 31,		2024 - 2025 Change	
	2025	2024	$	%
	(in thousands, except for percentages)			
Revenue	$ 167,931	$ 267,381	$ (99,450)	(37.2)%
Cost of revenue	132,643	201,140	(68,497)	(34.1)%
Gross profit	$ 35,288	$ 66,241	$ (30,953)	(46.7)%
Gross profit as a percentage of revenue	21.0%	24.8%		
Operating expenses, net:				
General and administrative	$ 26,514	$ 33,427	$ (6,913)	(20.7)%
Research and development	12,828	25,253	(12,425)	(49.2)%
Sales and marketing	38,915	42,115	(3,200)	(7.6)%
Transaction-related costs	304	—	304	— %
Restructuring	6,823	3,484	3,339	95.8 %
Total operating expenses	85,384	104,279	(18,895)	(18.1)%
Operating loss	(50,096)	(38,038)	(12,058)	31.7 %
Other income (expense):				
Interest expense	(10,050)	(10,371)	321	(3.1)%
Interest income	827	2,659	(1,832)	(68.9)%
Gain on embedded derivative	2,777	11,389	(8,612)	(75.6)%
Other income (expense)	2,087	(1,384)	3,471	(250.8)%
Total other (expense) income	(4,359)	2,293	(6,652)	(290.1)%
Net loss from continuing operations, before income taxes	(54,455)	(35,745)	(18,710)	52.3 %
Income tax benefit (expense)	384	(68,732)	69,116	(100.6)%
Net loss from continuing operations	(54,071)	(104,477)	50,406	(48.2)%
Income from discontinued operations, net of tax	—	8,725	(8,725)	(100.0)%
Net loss	$ (54,071)	$ (95,752)	$ 41,681	(43.5)%

Revenue

Total revenue decreased by $99.5 million or 37.2%, to $167.9 million for the year ended December 31, 2025 from $267.4 million for the year ended December 31, 2024. Revenue was down across nearly all regions, with the exception of a limited number of European markets, with the U.S. market showing the largest dollar value decline and the German market showing the largest percentage decline. As discussed above, we believe this decline was driven by elevated uncertainty amongst our customers regarding future budget allocations and represents an industry-wide phenomenon that affected the entire education technology market.

Cost of Revenue

Costs of revenue decreased by $68.5 million, or 34.1%, to $132.6 million for the year ended December 31, 2025 from $201.1 million for the year ended December 31, 2024. The most significant driver of the decrease was the overall reduction in sales volume. In addition, we realized incremental savings related to improved efficiencies in our shipping and logistics operations. Lastly, in 2024 we recorded non-recurring charges related to purchase commitments to certain inventory suppliers, with no comparable charges recorded in 2025.

Gross Profit

Gross profit decreased by $31.0 million, or 46.7%, to $35.3 million for the year ended December 31, 2025 from $66.2 million for the year ended December 31, 2024. This decrease was due to the year-over-year reduction in revenue. This decline in revenue also contributed to a decline in gross profit as a percentage of revenue, as a result of the components of cost of revenue which are more fixed in nature, including employee-related costs and depreciation and amortization, representing a relatively higher percentage of revenue in 2025. This decrease in gross profit as a percentage of revenue was partially offset by savings related to freight costs and due to certain nonrecurring charges as a result of purchase commitments to key inventory suppliers included in cost of revenue during 2024.

Operating expenses, net

General and administrative expenses decreased by $6.9 million, or 20.7%, to $26.5 million for the year ended December 31, 2025, from $33.4 million for the year ended December 31, 2024. The decrease was driven by a number of factors, including lower employee-related costs as a result of a reduction in overall headcount and restructuring of senior leadership. These cost reductions were consistent with the broader leadership and organizational changes undertaken during 2025 as part of management’s structural transformation initiatives. In addition, we received increased reimbursements from our majority shareholder for finance and accounting services provided and costs incurred on our majority shareholders' behalf. These savings were partially offset due to a one-time adjustment to our allowance for credit losses in 2024, with no comparable adjustment in 2025.

Research and development expenses decreased by $12.4 million, or 49.2%, to $12.8 million for the year ended December 31, 2025, compared to $25.3 million for the year ended December 31, 2024. This decrease is primarily driven by a significant decline in research and development employee headcount, as well as a shifting of a portion of the remaining headcount to lower cost jurisdictions, which is driven by management's change in product development strategy in 2025. Specifically, management is reducing internal development costs by working more closely with our key inventory suppliers on future hardware offerings and by expanding partnerships with selected companies to enhance and accelerate development of our software and SaaS product portfolio.

Sales and marketing expenses decreased by $3.2 million, or 7.6%, to $38.9 million for the year ended December 31, 2025, compared to $42.1 million for the year ended December 31, 2024. The decrease was driven by lower salaries and related costs due to a decrease in sales employee headcount year-over-year. This reduction resulted from streamlining and simplifying our global go-to-market approach, with an increased focus on closer partnerships with our channel distributors and significant resellers. These savings were partially offset by a modest year-over-year increase in marketing expenses related to the launch of ActivPanel 10 and ActivPanel LE in 2025.

Transaction-related costs were $0.3 million for the year ended December 31, 2025. There were no material transaction-related costs in 2024.

Restructuring expenses increased by $3.3 million or 95.8%, to $6.8 million for the year ended December 31, 2025, compared to $3.5 million for the year ended December 31, 2024. The increase was the result of an increased number of employee severance payments in 2025 relative to 2024. These restructuring expenses were directly related to the leadership changes, product development strategy adjustments, and global go-to-market realignment undertaken by management during 2025, as discussed above.

Other income (expense)

Other income (expense) decreased by $6.7 million, or 290.1%, to $4.4 million of expense for the year ended December 31, 2025, compared to $2.3 million of income for the year ended December 31, 2024. This decrease was driven primarily by a year-over-year reduction in the gain on the derivative instrument embedded in our convertible note due to a change in the fair value of that instrument, as well as a decrease in interest income due to a lower overall cash balance in 2025. This decrease was partially offset by favorable foreign currency exchange rate fluctuations year-over-year, with the U.S. dollar weakening against both the British pound and the euro during 2025.

Income tax benefit (expense)

There was an income tax benefit of $0.4 million during the year ended December 31, 2025 as compared to an income tax expense of $68.7 million for the year ended December 31, 2024. This change of $69.1 million, or 100.6%, was primarily driven by the recording in 2024 of a full valuation allowance against our U.S. and U.K. deferred tax assets due to the uncertainty regarding their realizability, as a result of cumulative pre-tax losses in the U.S. and U.K. in recent years. As a result of the full valuation allowances in the U.S. and U.K., we did not realize a benefit in 2025 for the pre-tax losses in those jurisdictions. Instead, the income tax benefit in 2025 was a result of the release of a valuation allowance in a different jurisdiction due to the expectation of future taxable income in that jurisdiction.

Income from discontinued operations attributable to ordinary shareholders

In 2024 there was income of $8.7 million from discontinued operations resulting from the disposal of GEH Singapore. There was no income or loss from discontinued operations in 2025.

B. Liquidity and Capital Resources

Liquidity refers to the ability to generate sufficient cash resources to meet the payment obligations of the Company. Capital refers to the long-term financial resources available to support the operations of the business, fund business growth, and provide for an ability to withstand adverse circumstances.

The following discussion and analysis highlight items that affected our liquidity and capital resources for the years ended December 31, 2025 and 2024 on a continuing operations basis, as follows:

	For the Year Ended December 31,		2024 - 2025 Change	
	2025	2024	$	%
	(in thousands, except for percentages)			
Cash flows from continuing operations:				
Net cash used in operating activities before changes in operating assets and liabilities	$ (39,145)	$ (33,312)	$ (5,833)	17.5 %
Net change in operating assets and liabilities	(6,358)	32,437	(38,795)	(119.6)%
Net cash (used in) provided by operating activities	(45,503)	(875)	(44,628)	5,100.3 %
Net cash (used in) provided by investing activities	(2,605)	10,252	(12,857)	(125.4)%
Net cash (used in) provided by financing activities	$ (8,413)	$ (22,631)	$ 14,218	(62.8)%

Cash Flows from Operating Activities

During the year ended December 31, 2025, net cash used in operating activities, before considering changes in operating assets and liabilities, of $39.1 million, was primarily related to $54.1 million in loss from continuing operations. Significant non-cash expense that was treated as an add-back in reconciling net loss to cash used in operating activities included $9.0 million of depreciation and amortization expense, $5.8 million of non-cash interest expense, and $2.9 million in share-based compensation expense. This non-cash expense was partially offset by non-cash income of 1.9 million related to amortization of deferred above-the-line tax credits generated through the U.K. Research and Development Expenditure Credit ("RDEC") program and $2.8 million related to the change in fair value of embedded derivative liability. The $6.4 million net cash outflow from changes in operating assets and liabilities was primarily related to decreases in accounts payable and accrued expenses and other current liabilities, and lease obligations. These decreases were partially offset by increases in accounts receivable and prepaid expense and other assets.

During the year ended December 31, 2024, net cash used in operating activities, before considering changes in operating assets and liabilities, of $33.3 million, was primarily related to $104.5 million in loss from continuing operations and $11.4 million in change in fair value of embedded derivative liability, partially offset by $67.7 million in non-cash deferred tax expense, $4.8 million non-cash interest expense, $5.7 million of non-cash depreciation and amortization, and $3.7 million in non-cash share-based compensation expense. For further discussion see "*Results of Operations"* above. The $32.4 million net cash inflow from changes in operating assets and liabilities was primarily related to a decrease in accounts receivable and inventories, which was partially offset by a decrease in accounts payable and contract liabilities.

Cash Flows from Investing Activities

Net cash used in investing activities during the year ended December 31, 2025 of $2.6 million was attributable to internal software development costs of $2.5 million and purchases of property, plant and equipment of $0.1 million.

Net cash provided by investing activities during the year ended December 31, 2024 of $10.3 million was attributable to the proceeds from the disposition of GEH Singapore of $20.0 million, partially offset by internal software development costs of $8.5 million and purchases of property, plant and equipment of $1.3 million.

Cash Flows from Financing Activities

Cash used in financing activities during the year ended December 31, 2025 was $8.4 million, primarily resulting from the net repayment of our line of credit with Bank of America of $8.0 million.

Cash used in financing activities during the year ended December 31, 2024 was $22.6 million, primarily resulting from the net repayment of our line of credit with Bank of America of $21.0 million.

Sources of Liquidity

To date, our operations have been financed principally through cash flows generated from our operations as well as debt and equity financings. As of December 31, 2025, we had $18.5 million of cash and cash equivalents.

Management has implemented operational plans to mitigate the adverse market conditions faced by us by executing initiatives designed to increase revenue and by reducing costs. During 2025, we (i) made changes to our executive management team, which supported our transformation initiatives in 2025 and beyond; (ii) launched several new hardware products and entered into new hardware and software partnerships that expand our product portfolio; (iii) transformed our product development strategy to decrease the length of time between product launches and enhance our ability to deliver integrated solutions to our customers; and (iv) simplified and aligned our global go-to-market approach to focus on our relationships with our channel distributors and significant resellers to position us for scalable growth in the future. These actions are expected to benefit revenue, gross margin, working capital, and operating cash flows while reducing operating expenses over the next twelve months.

On January 14, 2026, we entered into an Inventory Management and Consultancy Agreement (the "Inventory Agreement") with NetDragon under which (i) NetDragon assumes initial payment responsibility for hardware supplier invoices, subject to a $50 million revolving cap and (ii) a designated NetDragon employee will provide supply-chain consulting services to us. We are obligated to reimburse NetDragon within 365 days of inventory receipt, together with simple interest at 3% per annum. If the NetDragon consultant fails to achieve the agreed upon target in cost reductions in any calendar year, we will be entitled to a credit in the amount of all interest paid to NetDragon during the preceding calendar year. The agreement has an initial three-year term and automatically renews for successive one-year periods unless terminated with six months' prior written notice. If NetDragon fails to make timely payment to any supplier, we remain responsible to ensure payment per the supplier's terms. The Inventory Agreement is the instrument through which NetDragon has committed to provide the necessary funds so that we can meet our business commitments and obligations for a period of at least 12 months from the date this Annual Report has been issued. As of the date of issuance of this Annual Report, we have received $14.6 million under the Inventory Agreement.

On July 17, 2024, we filed a shelf registration statement with the SEC that allows the Company to offer, issue and sell from time to time up to $50.0 million of our ordinary shares, American Depositary Shares (“ADS”) representing ordinary shares, preferred shares, subscription rights, warrants and/or a combination of such securities, separately or as units, in one or more offerings. Each ADS represents 10 ordinary shares.

In December 2023, we issued a senior secured convertible note, in the principal amount of $65.0 million (the “Convertible Note”) with a stated maturity of December 13, 2028. The Convertible Note bears (i) cash interest at the rate of 5.00% per annum and (ii) paid-in-kind interest ("PIK") at the rate of 5.00% per annum, payable by issuing additional notes. Both the cash interest and PIK interest are payable semiannually on June 15 and December 15 of each year. During the year ended December 31, 2025, cash interest of $3.5 million was paid. PIK interest is payable by issuing additional notes in an amount equal to the applicable amount of PIK interest for the interest period. During 2025 and 2024, we issued additional Notes in the aggregate amount of $3.5 million and $3.3 million, respectively, representing PIK interest. For further information on the Convertible Note, see "Item 7B. Related Party Transactions."

In June 2018, we entered into a secured revolving line of credit (the "Revolver") for borrowings up to $35.0 million with Bank of America with an original termination date of June 25, 2021, which was extended to January 19, 2028 through subsequent amendments. Such amendments also amended the borrowing capacity up to $74.0 million through March 31, 2024, and $50.0 million thereafter through January 19, 2028. As of December 31, 2025, the outstanding balance on the Revolver was $4.5 million, including principal and interest of $3.0 million and $1.5 million, respectively. In January 2026, we concluded that due to changes in our business and how we manage our working capital, the Revolver was no longer an optimal source of future financing for us. Instead, we believe our working capital financing needs are better addressed, at a lower cost, through the Inventory Agreement. Subsequent to December 31, 2025, we entered into an agreement with Bank of America to terminate the Revolver. In connection with the termination, we repaid all amounts outstanding under the Revolver, including principal and accrued interest. As of the date of issuance of this Annual Report, we have made repayments totaling $4.6 million.

We believe the combination of: (i) the operational plans implemented in 2025; (ii) the Inventory Agreement described above; and (iii) our existing sources of liquidity, including expected future cash flows from operations will allow us to fund operating and capital needs for at least the next 12 months from the date of this Annual Report. Accordingly, the consolidated financial statements have been prepared on a going concern basis. As noted above, our ability to satisfy short-term payment obligations is highly reliant on NetDragon’s ongoing funding of supplier invoices pursuant to the Inventory Agreement. Absent this support, our existing cash resources may be insufficient to meet near-term operating requirements.

Our liquidity plan is highly dependent on NetDragon’s timely performance under the Inventory Agreement. We have based our estimates as to how long we expect we will be able to fund our operations on assumptions that may turn out to be incorrect. We may be required to obtain additional financing to fund our current planned operations, which may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed may have a negative impact on our financial condition and our ability to pursue our business strategy. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders will be diluted. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

C. Research and Development, Patents and Licenses

See “Item 4. Information on the Company—B. Business Overview” and “Item 4. Information on the Company—B. Business Overview—Intellectual Property.”

D. Trend Information

Other than as disclosed elsewhere in this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events for the period from January 1, 2025 to December 31, 2025 that are reasonably likely to have a material effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make estimates and assumptions that affect our reporting of, among other things, assets and liabilities, contingent assets and liabilities and total revenues and expenses. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Since our financial reporting process inherently relies on the use of estimates and assumptions, our actual results could differ from what we expect.

When reading our consolidated financial statements, you should consider our selection of critical accounting policies, the judgment and other uncertainties affecting the application of such policies, and the sensitivity of reported results to changes in conditions and assumptions. We consider an estimate to be critical if it involves a significant degree of judgment, is inherently uncertain, and changes in the estimate or its underlying assumptions are reasonably likely to have a material effect on our financial statements. The accounting policies that we believe involve our most significant, difficult or subjective estimates are discussed below. For a complete description of our significant accounting policies, see "*Part III, Item 18, Note 2. Summary of Significant Accounting Policies*" to our consolidated financial statements.

Revenue Recognition

We recognize revenue when control of promised goods or services is transferred to our customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. Revenue recognition involves judgment in identifying performance obligations, estimating stand-alone selling prices, and estimating variable consideration. These judgments affect the timing of revenue recognition and, in certain cases, the allocation of revenue among reporting periods. While management believes its estimates and assumptions are reasonable and consistent with historical experience, actual results could differ if customer behavior, product offerings, pricing strategies, or market conditions change. Management monitors these estimates on an ongoing basis and updates them as new information becomes available.

Our arrangements include (i) sales of hardware and proprietary embedded firmware, (ii) separately priced SaaS subscriptions bundled with certain hardware (e.g., ActivPanel 10), and (iii) enhanced warranties sold to end users. The amounts and timing of revenue depend on judgments about variable consideration and the allocation of transaction price to distinct performance obligations.

We estimate variable consideration using the expected value method, constrained to amounts not probable of significant reversal, based on historical rebate experience and expected future sales trends on a customer-by-customer basis. We establish stand-alone selling prices using observable prices when available or cost-plus analyses. For freight we act as principal and recognize revenue when the third-party logistics provider takes possession.

We provide a standard assurance type warranty on all hardware and record a warranty liability for expected costs at the time of sale based on historical failure rates, repair/replacement cost experience, and the expected pattern of spend over the warranty term. Actual claims experience may differ from our estimates and could impact margins in future periods.

Evaluation of long-lived assets, goodwill, and indefinite-lived intangible assets for impairment

Long-lived assets, other than goodwill and indefinite-lived intangibles, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable from future undiscounted cash flows expected to be generated by that asset group. We perform our annual impairment assessments for goodwill and indefinite-lived intangible assets as of December 31 and between annual tests if a triggering event occurs. As part of these impairment assessments, we have the option to assess the qualitative factors in determining whether it is more likely than not that a potential impairment exists, which can be used as a basis for determining whether it is necessary to perform a quantitative impairment test. When a quantitative test is determined necessary, these analyses compare the carrying value of our reporting unit for goodwill and the carrying value of our indefinite-lived intangible asset, respectively, to their estimated fair value. These evaluations require significant judgment because key inputs into these evaluations depend on forward-looking assumptions and market inputs that are inherently uncertain.

Our impairment analyses require significant judgments about future revenues, cash flows, discount rates, long-term growth rates and margins, and for the indefinite-lived tradename assumed royalty rates. Our fair value estimates are sensitive to: (i) the weighted average cost of capital (which reflects premiums in market interest rates and business specific risk); (ii) long-term revenue and margin (including assumed customer demand and adoption rates and product pricing); and (iii) a terminal growth consistent with long-term market expectations. For indefinite-lived intangible assets evaluated under an income approach, the assumed royalty rate and discount rate are particularly sensitive drivers of value.

As of December 31, 2025, we estimated the reporting unit's fair value using the income approach (discounted cash flow) and concluded that fair value exceeded carrying value, which was negative. Accordingly, no goodwill impairment was recognized. We also tested our indefinite-lived tradename as of December 31, 2025 using an income approach (relief from royalty) and concluded its fair value exceeded its carrying amount. While fair value exceeded the carrying value, the margin of headroom has narrowed relative to recent years. As a result, relatively minor adverse changes in assumptions or market conditions could result in an impairment in a future period. Refer to "*Part III, Item 18, Note 7. Goodwill and Intangible Assets*" to our consolidated financial statements for additional discussion regarding the impairment assessment performed at December 31, 2025.

Given economic uncertainty and other factors affecting management's assumptions underlying the valuation of our long-lived assets, the assumptions and projections used in the analyses may not be realized and our current estimates could vary significantly in the future, which may result in impairment charges. We may experience additional unforeseen circumstances that adversely affect the value of our long-lived assets, and trigger an evaluation of the recorded amount. Future write-offs as a result of an impairment could have a material adverse impact on our business, financial condition, and operating results.

Valuation of embedded derivative

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date. The fair value of the Embedded Derivative was calculated using a with and without method at the end of each reporting period using a Monte Carlo simulation model that used various assumptions related to the term of the underlying agreement, ADS price, expected volatility, risk-free interest rate, and credit risk adjusted rate.

Changes in share price, expected volatility, risk free rates, or our credit risk adjusted discount rate can materially affect the derivative's fair value and, therefore, produce earnings volatility from period to period.

Valuation allowance for deferred tax assets

We recognize deferred tax assets and liabilities for the future tax consequences of temporary differences and carryforwards and records a valuation allowance when it is more likely than not that some portion of the deferred tax assets will not be realized. This assessment requires significant judgment and involves weighing objective negative evidence (such as cumulative losses in the relevant jurisdiction) against positive evidence (such as recent profitability, forecasted future taxable income, reversal patterns of temporary differences, and feasible tax planning strategies). Because the analysis relies on forward looking assessments that can change as new information becomes available, different conclusions could materially affect our income tax expense and effective tax rate in the period of change.

As of December 31, 2025, management assessed the available positive and negative evidence in evaluating the realizability of our existing deferred tax assets. Two significant pieces of objective negative evidence identified were the cumulative pre-tax losses in the U.S. and U.K. in recent years, and the continued decline in sales in 2025 due to reduced customer demand. Such objective evidence limits the ability to consider more subjective evidence, such as projections for future improved operating results. On the basis of this evaluation, management has maintained a full valuation allowance against these U.S. and U.K. deferred tax assets, due to the uncertainty regarding their realizability.

As of December 31, 2025, management determined that there is sufficient positive evidence to conclude that it is more likely than not that our deferred taxes outside the U.S. and U.K. are realizable and no valuation allowance has been recorded on those deferred tax assets.

If events occur in the future that improve the certainty of realization for those deferred assets for which a valuation allowance is recorded as of December 31, 2025, an adjustment to the valuation allowances will be made and consequently income tax expenses will be reduced. The valuation allowance has no impact on our tax loss carryforwards position for tax purposes, and if we generate taxable income in future periods, we will be able to use our tax loss carryforwards to offset taxes due at that time. Refer to "*Part III, Item 18, Note 13. Income Taxes*" to our consolidated financial statements for additional discussion.

Provision for Warranty Costs

We provide warranties with our hardware products to assure customers that the products conform to agreed-upon specifications and are free of defects. Our warranty liability reflects management’s best estimate of the future costs to service outstanding warranty obligations for units already sold. The estimation involves assessing multiple factors that are inherently uncertain, including: (i) historical product failure rates, stratified by product line, generation, and warranty term; (ii) expected future failure patterns, which may differ from historical experience due to new product introductions, component changes, evolving usage patterns, or shifts in customer environments; (iii) average repair or replacement costs, including labor, materials, logistics, and third-party service costs; and (iv) the timing profile of expected warranty expenditures over multiyear warranty periods.

Because warranty obligations extend over several years and are influenced by technology cycles and market use conditions, actual outcomes may differ from management’s assumptions. For example, higher than expected failure rates for recently introduced hardware models, changes in supplier defect trends, or variability in component costs could result in adjustments to the liability, which would be recognized in earnings in the period identified.

Although our estimation process incorporates historical data and known product quality trends, changes in key assumptions could materially affect the warranty liability and associated expense. Management reviews the underlying assumptions each reporting period and updates the estimate as new information becomes available.

Other Accounting Estimates

Other significant accounting estimates not involving the same level of measurement uncertainties as those discussed above are nevertheless important to an understanding of our consolidated financial statements. Policies related to impairment of obsolete and slow-moving inventories, valuation of assets acquired and liabilities assumed in business combinations, and legal reserves require judgments.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth certain information relating to our directors and executive officers as of the date of this Annual Report.

Name	Age	Position
Arthur Giterman	45	Chief Executive Officer, Chief Financial Officer and Director
Michael Strand	60	Chief Revenue Officer
Lance Solomon	56	Chief Product Officer
Allyson Krause	56	Executive Vice President & General Counsel
Dr. Simon Leung Lim Kin	71	Chairman of the Board and Director
Robin Mendelson	59	Director
Denise Merle	62	Director
Joel A. Getz	61	Director

Arthur Giterman has served as our Chief Executive Officer and as a Director since April of 2025 and as our Chief Financial Officer since December 2023. Previously, Mr. Giterman served as Chief Financial Officer of Promethean since May of 2023. Mr. Giterman has over 20 years of experience in financial, strategic, and operational leadership at high-growth global technology companies. Prior to Promethean, Mr. Giterman most recently held the role of CFO of Aptean, a global provider of targeted ERP, supply chain management, and compliance solutions. Prior to that, Mr. Giterman held the role of SVP of Finance & Chief Accounting Officer at Nuance Communications (NASDAQ: NUAN), a market leader in the speech recognition and conversational AI space. Prior to joining Nuance Communications, Mr. Giterman held accounting and operation management roles at ART Technologies, Inc. Mr. Giterman began his career at PricewaterhouseCoopers LLP., where he served clients in the Audit and Business Advisory Services groups. Mr. Giterman holds a B.S. in Accounting from Bentley University.

Michael Strand has served as our Chief Revenue Officer since *December 2024.* He is a seasoned global sales and go-to-market leader who leverages his extensive experience in the SaaS, cloud, ProAV, and enterprise applications sectors to drive revenue growth and optimize business performance. Prior to joining the Company, from June 2021 to April 2023, Mr. Strand served as Chief Revenue Officer at Diversified, a leading global audio visual and broadcast/media consultancy and systems integrator, where he played a pivotal role in restructuring and streamlining go to market processes, resulting in significant growth and efficiency improvements. From 2015 to 2021, he served as Senior Vice President, Global Sales and Marketing at Hitachi Solutions America, Ltd., where he led the company's accelerated global expansion and developed its go to market model, making Hitachi Solutions one of the fastest-growing, globally-recognized Dynamics 365 cloud channel partners. Prior to that, Mr. Strand spent over two decades at Microsoft Corp. in various leadership and channel-led roles, most recently as Regional Area Leader of Microsoft’s Business Solutions unit for Southeast Asia, Australia, and New Zealand, and the Western U.S. He holds a Bachelor of Science Degree in Communication, Journalism, and Related Programs from Washington State University.

Lance Solomon has served as our Chief Product Officer since December 2023. Previously, Mr. Solomon served as Chief Product Officer of Promethean since September 2018 and prior to that served as Promethean’s Executive Vice President of Operations. Before joining Promethean, Mr. Solomon was an executive at Amazon Web Services leading planning, purchasing, and delivering new technology to the data center. Prior to Amazon, Mr. Solomon was an executive at Logitech where, in addition to managing the operational aspects of the supply chain, he partnered with the business groups to bring new products to market through his leadership in marketing analytics and product launch management. Mr. Solomon has also held progressive leadership roles at Cisco Systems and Intel developing mathematical tools used by planners, engineers, designers, and operational leaders to drive strategy and efficiency. Mr. Solomon holds a Bachelor of Science Degree in Mathematics from Pennsylvania State University and a Master of Science Degree in Operations Research/Industrial Engineering from the University of Texas at Austin.

Allyson Krause has served as our Executive Vice President, General Counsel and Corporate Secretary since December 2023. Previously, Ms. Krause served as Promethean's Executive Vice President and General Counsel since July 2014 and, before that, as Head of Legal for North America since July of 2010. Prior to joining Promethean, Ms. Krause held several legal positions in both the public and private sectors, including six years as in-house counsel to Southwire Company and six years as an Assistant Attorney General for the State of Georgia, USA. Ms. Krause holds a Bachelor of Arts degree in both Economics and Spanish from Brandeis University, and a law (Juris Doctor) degree from Emory University.

Simon Leung Lim Kin has served as a Director and our Chairman of the Board since December 2023. Since March of 2015, Dr. Leung has served as Vice Chairman and as an Executive Director of NetDragon Websoft Holdings Limited, a publicly traded company listed on the Hong Kong Stock Exchange (0777.HK). Dr. Leung has been responsible for the planning, consolidation and operation of the education business of NetDragon in the PRC and the development of the online education business overseas. Dr. Leung has over 30 years of experience in both information technology and telecommunications industries. From 2005 to 2008, Dr. Leung served as the president of Motorola Asia-Pacific, a company principally engaged in the production of data communication and telecommunication equipment, where he was primarily responsible for the overall strategic planning and implementation in the Asia-Pacific region. From 2008 to 2012, Dr. Leung was the chief executive officer of Microsoft Greater China region, a company principally engaged in developing, manufacturing, licensing and sales of software products, where he was primarily responsible for overseeing overall business operations and for developing and implementing a regional strategy. Prior to joining NetDragon, Dr. Leung also held management roles at various educational institutions or corporations engaging in the education business. From 2009 to 2010, he was the governor of the Upper Canada College, an educational institution, where he was primarily responsible for establishing and directing policy for the college and overseeing its financial affairs. In 2012, Dr. Leung was the chief executive officer of Harrow International Management Services Limited, a company principally engaged in the management of Harrow International Schools, where he was responsible for the development of new Harrow International Schools and education services in Asia. Since June of 2015, Dr. Leung has served as a non-executive director and member of the compensation committee of PuraPharm Corporation Limited, a private company engaged in the manufacture and sale of Chinese healthcare products to retail customers. Dr. Leung received his Bachelor of Arts Degree and a Doctorate in Laws from the University of Western Ontario, Canada in 1978 and 2005 respectively and a Doctorate In Business Administration from Hong Kong Polytechnic University in 2007.

Robin Mendelson has served as a Director of the Company since December 2023. Ms. Mendelson is a seasoned executive and board director with over 25 years of experience in building and leading high-growth technology-enabled businesses in the U.S. and internationally. From 1999 to 2019, Ms. Mendelson held leadership positions at Amazon, overseeing multibillion-dollar business portfolios. During her tenure at Amazon, she also led a global technology platform and expanded international business units for Amazon in France. Ms. Mendelson's e-commerce experience encompasses finance leadership, where among other roles, she led finance for Amazon's Worldwide Digital Products Group during the successful launch of the Kindle e-reader, Prime Video, and other transformative digital media products. Ms. Mendelson currently serves as Chairman of the Board (and as a member of the compensation, audit and disclosure committees) of Articore Group Lts. (ASX: ATG), which operates an online marketplace that facilitates the sale of art and design products in Australia and the U.S., Mainstay, which is an AI enhanced software developer and Acadeum, which offers colleges and universities a network and technology platform to expand academic portfolios with in-demand certifications, courses, programs, and degrees. Ms. Mendelson is a Trustee of Rainier Prep. Ms. Mendelson holds a Bachelor's degree from Duke University and a Master of Business Administration from Yale University School of Management.

Denise Merle has served as a Director of the Company since December 2023. Ms. Merle has been Senior Vice President and Chief Administration Officer at Weyerhaeuser Company, a global leader in sustainable forestry, natural climate solutions and wood products manufacturing since February 2018. Prior to this role, Ms. Merle held a variety of progressive leadership roles, including serving as Senior Vice President of human resources and investor relations, head of finance and human resources for Weyerhaeuser's $2 billion lumber business, and head of Internal Audit, risk management and enterprise planning. Ms. Merle has successfully led multiple transformational projects and initiatives, including the $8 billion integration of Weyerhaeuser and Plum Creek; the redesign of all executive compensation programs to drive financial performance, align with shareholder interests and ensure market competitiveness; and work to accelerate the company's DEI efforts through establishing an executive diversity council, revamping company employee resources groups, and communicating regularly on inclusion topics through an internal blog. Ms. Merle also serves on the Board of Directors for Compass Minerals International, Inc. (NYSE: CMP). Ms. Merle has a BS Degree in Accounting from Pacific Lutheran University and an MBA with international studies from Seattle University, and she is a Certified Public Accountant.

Joel A. Getz has served as a Director of the Company since September 2017. Mr. Getz is now the deputy dean for Alumni, Development, and Special Initiative at the Yale School of Management. He also serves as an independent director of Luckin Coffee Inc. (OTC: LKNCY) since December 2022, a director and the board secretary of The Stephan Co. (OTC: SPCO) since February 2017 and March 2017, respectively, and the board trustee of New England Innovation Academy since February 2020. Prior to that, Mr. Getz served in various development capacities for non-profit organizations in New York and California and was president of the Mayor's Fund to Advance New York City. From 1990 to 1997, Mr. Getz was the president and co-founder of Rim Pacific, a manufacturing and distribution firm focusing on art reproductions. Mr. Getz received his B.A. from Harvard University.

There are no family relationships among any of our executive officers or directors.

B. Compensation

Executive Officers

For the fiscal year ended December 31, 2025, the aggregate cash compensation paid to our five current and three former executive officers in 2025 was approximately $10.0 million. In addition to salary and benefits, this amount includes (i) an aggregate of approximately $0.9 million paid to three current and one former executive officer that was previously earned in prior years pursuant to the long term incentive plan that Promethean had in place prior to the Merger (the "Legacy Plan"), (ii) an aggregate of $1.0 million paid to one current and one former executive officer related to a previously agreed transformation bonus payable under such executive's employment agreement upon the completion of our Merger and (iii) an aggregate of $5.2 million paid to four current and two former executive officers, paid as a retention bonus.

During 2025, four current and one former executive officer received an aggregate of 481,546 ADSs upon the vesting of restricted stock units ("RSUs") granted under our Equity Incentive Plan (the Equity Incentive Plan"), having an aggregate value of approximately $0.4 million on the applicable vesting dates.

During 2025, in addition to the cash compensation disclosed above, we also paid an aggregate of approximately $3.3 million in cash to three former executive officers in connection with the termination of their employment with the Company.

During 2025, we awarded our five executive officers (i) RSUs under our Equity Incentive Plan, representing an aggregate of 1,375.630 ADSs, valued at approximately $1.5 million in the aggregate on the date of the grant and (ii) cash awards in the aggregate amount of approximately $2.3 million, both of which vest in accordance with their applicable award agreement.

During 2025, we awarded one of our executive officers (i) RSUs representing an aggregate of 657,534 ADSs, valued at approximately $0.5 million on the date of the grant and (ii) a cash award in the amount of approximately $0.7 million, both of which vest in accordance with their applicable award agreement. This same executive officer also received a cash transformation award in the amount of $0.3 million which vests in accordance with its terms.

During 2025, we awarded three of our executive officers cash retention awards in the aggregate of approximately $0.8 million which vest in accordance with their respective terms.

During the first quarter of 2026, we paid our current executive officers aggregate cash consideration of approximately $2.0 million for certain awards and bonuses previously earned which included (i) an aggregate of approximately $0.6 million paid to certain of our executive officers that was previously earned in prior years under the Legacy Plan, (ii) an aggregate of approximately $0.8 million pursuant to cash awards awarded during 2025, and (iii) an aggregate of $0.6 million paid to two executive officers, related to cash awards granted in 2025.

During the first quarter of 2026, our current executive officers received an aggregate of 624,488 ADSs upon the vesting of RSUs, having an aggregate value of $0.3 million on the applicable vesting date.

Directors

For the fiscal year ended December 31, 2025, the aggregate cash compensation paid to our four current and two former non-employee directors in 2025 was approximately $1.8 million. Additionally, during 2025, our four current and two former non-employee directors received an aggregate of 274,223 ADSs upon the vesting of RSUs granted under our Equity Incentive Plan, having an aggregate value of approximately $0.2 million on the applicable vesting dates.

During 2025, we awarded our four current and two former non-employee directors (i) RSUs under our Equity Incentive Plan, representing an aggregate of 468,468 ADSs, valued at approximately $0.5 million in the aggregate on the date of the grant and (ii) cash awards in the aggregate amount of approximately $0.8 million, both of which vest in accordance with their applicable award agreement.

During the first quarter of 2026, we paid cash compensation in the aggregate of approximately $0.1 million in board fees to our four current and two former non-employee directors for services rendered during the fourth quarter of 2025. Additionally, we paid cash compensation in the aggregate of approximately $0.1 million to three of our current non-employee directors pursuant to a cash award awarded in 2025.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Such agreements provide for an annual base salary, an annual bonus opportunity targeted at a percentage of the executive’s base salary and the opportunity to participate in any equity compensation plan, other incentive compensation programs and other health, benefit and incentive plans offered to other senior executives of the Company. Subject to the terms of the employment agreements, we may terminate their employment at any time, with “cause”, and we are not required to provide any prior notice of the termination. In addition, upon termination of an executive officer’s employment without cause or resignation by the executive officer for “good reason,” as defined in their employment agreements, such executive officer will, conditioned upon his/her execution of a separation and release agreement, be eligible to receive a severance payment in the amount specified in their employment agreement.

We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

Equity Incentive Plan

In January 2024, our Board approved the Mynd.ai Equity Incentive Plan, which we refer to as the “Equity Incentive Plan”. The Equity Incentive Plan provides eligible participants with compensation opportunities that will support the achievement of the Company’s performance objectives, align the interests of eligible participants with those of the Company’s shareholders, and attract, retain and motivate eligible participants critical to the long-term success of the Company and its subsidiaries.

Under the Equity Incentive Plan, awards may be granted to officers, employees and consultants of the Company or any of our affiliates. The Equity Incentive Plan will be administered by the Company's Compensation Committee which shall have the full power and authority to, among other things, select eligible participants, grant awards in accordance with the Equity Incentive Plan, determine the number of shares subject to each award or the cash amount payable in connection with an award and determine the terms and conditions of each award. Awards may be granted in the form of stock or share options, restricted shares, RSUs, stock or share appreciation rights, performance stock or shares, performance stock or share units and other awards. The maximum aggregate number of ordinary shares that is initially authorized for issuance under the Equity Incentive Plan is 54,777,338, together with a corresponding number of American Depositary Shares. The number of ordinary shares available for issuance under the Equity Incentive Plan will also include an automatic annual increase on the first day of each fiscal year beginning in 2025, equal to five percent (5%) of the total number of our ordinary shares outstanding, on a fully diluted basis, on the last day of our immediately preceding fiscal year. Pursuant to this annual increase, an additional 28,374,850 and 27,731,110 ordinary shares became available for issuance under the Equity Incentive Plan on January 1, 2026 and 2025, respectively. The Board has the authority to amend, suspend or terminate the Equity Incentive Plan. No amendment, suspension or termination will be effective without the approval of the Company's shareholders if such approval is required under applicable laws, rules and regulations.

During 2025, we awarded RSUs under the Equity Incentive Plan to certain of our officers, directors and employees, representing an aggregate of 25,016,320 ordinary shares. The RSUs are subject to vesting periods as set forth in the corresponding award agreements and shall, unless otherwise provided therein, be forfeited if the recipient shall cease performing services for the Company. As of the date of this Annual Report, there are an aggregate of 19,831,220 ordinary shares (1,983,122 ADSs) underlying outstanding awards under the Equity Incentive Plan, which have not yet vested.

C. Board Practices

Board of Directors

Our board of directors presently consists of five directors. None of our non-employee directors has a service contract with us that provides for benefits upon termination of service.

Director Independence

Our board of directors has undertaken a review of the independence of the directors and considered whether any director has a relationship with us that could interfere with such director's ability to exercise independent judgment in carrying out the responsibilities of a director. As a result of this review, our board of directors determined that Denise Merle, Robin Mendelson and Joel Getz, representing three of our five directors, are "independent directors" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and corporate governance rules of the NYSE (collectively, the "Listing Standards"). In making such determination, our board of directors considered the relationships that each non-employee director has with us and all other facts and circumstances our board of directors deemed relevant in determining the director's independence, including the number of ordinary shares beneficially owned by the director.

Board Committees

Our Board has three standing committees: an Audit Committee; a Compensation Committee; and a Nominating and Corporate Governance Committee. Each of the committees reports to the Board as it deems appropriate and as the Board may request. The composition, duties and responsibilities of these committees are set forth below. In the future, our Board may establish other committees, as it deems appropriate, to assist it with its responsibilities.

Audit Committee. We have a standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. Our Audit Committee is responsible for, among other things:

- appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm;
- discussing with our independent registered public accounting firm their independence from management;
- reviewing, with our independent registered public accounting firm, the scope and results of their audit;

- approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm any financial statements that we file with the SEC;
- overseeing our financial and accounting controls and compliance with legal and regulatory requirements;
- reviewing our policies on risk assessment and risk management;
- reviewing related person transactions; and
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters.

The Audit Committee is composed of Denise Merle, Robin Mendelson and Joel Getz, with Ms. Merle serving as chair. Our Board has determined that Ms. Merle qualifies as an "audit committee financial expert" and that each member of the Audit Committee meets the definition of "independent director" for purposes of serving on the Audit Committee under Rule 10A-3 of the Exchange Act and the Listing Standards of the NYSE. Our Board has adopted a written charter for the Audit Committee, which is available on our website at: www.mynd.ai under Governance. The information on our website is not intended to form a part of or be incorporated by reference into this Annual Report.

Compensation Committee. Our Compensation Committee is responsible for, among other things:

- reviewing and approving the corporate goals and objectives, evaluating the performance and reviewing and approving the compensation of our CEO and executive officers;
- reviewing and approving or making recommendations to our Board of Directors regarding our incentive compensation and equity-based plans, policies and programs;
- reviewing and approving employment agreements and severance arrangements for our executive officers;
- making recommendations to our Board of Directors regarding the compensation of our directors; and
- retaining and overseeing any compensation consultants.

The Compensation Committee is composed of Robin Mendelson, Denise Merle and Joel Getz, with Ms. Mendelson serving as chair. Each member of our Compensation Committee is a non-employee director (within the meaning of Rule 16b-3 under the Exchange Act) and our Board has determined that each member of the Compensation Committee meets the definition of "independent director" for purposes of serving on the Compensation Committee under SEC Rules and the Listing Standards of the NYSE. Our Board has adopted a written charter for the Compensation Committee, which is available on our website at: www.mynd.ai under Governance. The information on our website is not intended to form a part of or be incorporated by reference into this Annual Report.

Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee is responsible for, among other things:

- identifying individuals qualified to become members of our Board of Directors, consistent with criteria approved by our Board of Directors;
- overseeing succession planning for our executive officers;
- periodically reviewing our Board of Directors' leadership structure and recommending any proposed changes to our Board of Directors;
- overseeing an annual evaluation of the effectiveness of our Board of Directors and its committees, including distributing annual written self and Board-assessments; and
- developing and recommending to our Board of Directors a set of corporate governance guidelines.

The Nominating and Corporate Governance Committee is composed of Dr Simon Leung and Arthur Giterman, with Dr. Leung serving as chair. The NYSE Listed Company Manual requires that with respect to the Nominating Committee, such committee be comprised solely of independent directors or by a majority of the independent directors. With respect to this requirement, we have elected to adopt the practices of our home country, the Cayman Islands, which does not require our Nominating Committee to be comprised solely of or by a majority of independent directors. Our Board has adopted a written charter for the Nominating and Corporate Governance Committee, which is available on our website at: www.mynd.ai under Governance. The information on our website is not intended to form a part of or be incorporated by reference into this Annual Report.

D. Employees

As of December 31, 2025, 2024, and 2023, we had a total of 371, 505, and 1,365 employees, respectively. The decrease in the number of employees from 2024 to 2025 is primarily attributable to the strategic restructuring of our business while the decrease in the number of employees from 2023 to 2024 primarily reflects the disposition of our early childhood education business in Singapore in October 2024, during which a significant number of teaching staff and other staff in operated learning centers ceased to be our employees. As of December 31, 2025, approximately 139 of our employees were located in the U.S. and approximately 232 of our employees were located outside of the U.S.

We believe we offer our employees competitive compensation packages and a merit-based work environment that encourages proactivity and responsibility, and, as a result, we have generally been able to attract and retain qualified personnel.

We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes. Other than a Works Council established for the benefit of our employees in Germany and except for a small number of employees located in France, none of our employees are represented by labor unions.

E. Share Ownership

For information regarding share ownership, please see Item 7.A below.

F. Disclosure of registrant's action to recover erroneously awarded compensation

None.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information with respect to beneficial ownership of our ordinary shares as of April 30, 2026, except otherwise noted, by:

- each of our executive officers;
- each of our non-employee directors:
- our executive officers and non-employee directors as a group; and
- each person known to us to beneficially own 5% or more of our ordinary shares.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes the power to direct the voting or the disposition of the securities or to receive the economic benefit of the ownership of the securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. The calculations of percentage ownership in the table below are based on 471,446,050 ordinary shares outstanding as of April 30, 2026.

Unless otherwise indicated, the address of each person named below is c/o Mynd.ai, Inc., 4550 North Point Parkway, Suite 370, Alpharetta, Georgia, 30022.

Name	Number of Ordinary Shares	Percent
Executive Officers:		
Arthur Giterman	4,468,480	*
Allyson Krause	1,924,590	*
Lance Solomon	1,160,960	*
Ronan O'Loan	938,680	*
Michael Strand	616,190	*
Non-Employee Directors:		
Dr. Simon Leung	19,098,187	4.1%
Joel A. Getz	895,500	*
Denise Merle	895,500	*
Robin Mendelson	895,500	*
Executive Officers and Non-Employee Directors as a Group (9 persons):	30,893,587	6.6%
5% or Greater Shareholders:		
NetDragon Websoft Holdings Limited	338,243,483[(1)]	71.7%
Nurture Education Cayman Limited	59,135,640[(2)]	11.1%
Ascendent Rainbow (Cayman) Limited	63,720,276[(3)]	12.0%

* Less than 1%

(1) Represents ordinary shares held directly by NetDragon WebSoft, Inc. ("ND BVI"), a wholly-owned subsidiary of NetDragon Websoft Holdings Limited ("NetDragon"). NetDragon has the power to vote and dispose of the ordinary shares held by ND BVI. NetDragon has an address at Units 2001-05 & 11, 20/F. Harbour Centre, 25 Harbour Road, Wan Chai, Hong Kong.

(2) Represents ordinary shares issuable upon conversion of certain convertible promissory notes, in the aggregate principal amount of $71.8 million, made by the Company in favor of the holder. The holder has an address at c/o Ascendent Capital Partners (Asia) Limited, Suite 3501, 35/F, Jardine House 1 Connaught Place, Central, Hong Kong.

(3) Includes ordinary shares issuable upon conversion of certain convertible promissory notes, in the aggregate principal amount of $71.8 million, held by Nurture Education Cayman Limited, an affiliate of Ascendent Rainbow (Cayman) Limited. The holder has an address at Suite 3501, 35/F, Jardine House 1 Connaught Place, Central, Hong Kong.

We have one class of ordinary shares and each holder of our ordinary shares is entitled to one vote per ordinary share. As of April 30, 2026, there were 151 record holders of our ordinary shares. As set forth above, by virtue of the ownership of 71.7% of our ordinary shares by ND BVI, we are indirectly controlled by NetDragon.

B. Related Party Transactions

Senior Secured Convertible Note.

On December 13, 2023 ("the Closing Date"), pursuant to a Senior Secured Convertible Note Purchase Agreement, dated April 18, 2023, by and among the Company, Best Assistant, and Nurture Education (Cayman) Limited (the "Holder"), an affiliate of ACP, a shareholder of the Company, we issued to the Holder a senior secured convertible note, in the principal face amount of $65.0 million (the "Note").

The Note bears (i) cash interest at the rate of 5.00% per annum and (ii) PIK interest at the rate of 5.00% per annum payable by issuing additional notes (such additional notes, together with the Note issued on the Closing Date, the "Notes"). On the Closing date, we delivered a 12-month cash interest payment to the Holder for the first years' interest. Both the cash interest and PIK interest will be paid semiannually. Upon the continuation of an Event of Default as defined in the Notes, the Notes shall become immediately due and payable and all unpaid principal, together with all accrued and unpaid interest and the applicable Make Whole Premium (as defined in the Notes), shall be due and payable. If any amount payable under the Notes is not paid on its due date, an additional 2.00% per annum will be added to the cash interest rate. The Notes will mature on December 13, 2028, unless earlier converted, redeemed or repurchased. The Notes are convertible at the option of the Holder at any time until the outstanding principal amount (including any accrued and unpaid interest) has been paid in full. Subject to the terms of the Notes, the Holder may elect to receive our ADSs in lieu of ordinary shares upon conversion of the Notes. Presently, the aggregate principal amount of outstanding Notes is $71.8 million.

The Notes may be redeemed by us following the third anniversary of Closing Date, in whole or in part, at a redemption price equal to the outstanding principal amount plus accrued and unpaid interest (calculated to the redemption date) and plus certain make whole premiums as specified in the Notes (which means the aggregate amount of cash interest and PIK interest that would be payable until the maturity date). The Notes are guaranteed by Promethean, a wholly-owned subsidiary of eLMTree, and secured by all the shares of Promethean. The Notes are our senior obligations and rank *pari passu* in right of payment with all of our other senior and unsubordinated obligations and the Notes are subordinated to the loans under those certain loan and security agreement documents among Promethean, Bank of America, N.A. and certain other parties and certain other loan documents related thereto.

The initial conversion rate per $1,000 principal amount of the Notes is equal to (i) $1,000 divided by (ii) the initial conversion price of $2.0226 (which is 115% of the "GEHI Per Share Value" as defined under the Merger Agreement), such initial conversion price being subject to adjustments as provided in the Notes. Upon occurrence of a make whole fundamental change, the conversion rate will be adjusted based on certain make whole premiums. On each of the first anniversary and second anniversary of the Closing Date (each such anniversary, a "Reset Date"), if the volume weighted average closing price of our ordinary shares during any consecutive 40-trading day period in the 12 months preceding the relevant Reset Date (the "Reference Price") is below 85% of the initial conversion price, the conversion price will be adjusted to 115% of such Reference Price. If during the 12 months preceding a Reset Date there is more than one consecutive 40-trading day period when the volume weighted average closing price is below 85% of the initial conversion price, then the conversion price for the applicable Reset Date will be calculated based on the lower of (i) the volume weighted average closing price of the most recent applicable 40- trading day period and (ii) the average volume weighted average closing price for all applicable 40-trading day periods within the most recent six months. Notwithstanding the foregoing, in no event shall the conversion price be lower than 60% of the initial conversion price. By virtue of the foregoing, effective December 13, 2024, the conversion price was reset to $1.214.

Upon the occurrence of a fundamental change (as defined in the Notes), we will offer to repurchase the Notes at a repurchase price of outstanding principal amount plus accrued and unpaid interest (calculated to the repurchase date). If the fundamental change is also a make whole fundamental change, the repurchase price will be outstanding principal amount plus accrued and unpaid interest (calculated to the repurchase date) and plus the make whole premiums.

So long as any Note remains outstanding, without consent of the majority noteholders, we and our subsidiaries are restricted from incurring certain indebtedness, entering into certain related party transactions, consummating certain asset sales or asset acquisitions, or undertaking certain capital expenditures.

Lock-up Agreement.

On December 13, 2023, we entered into a lock-up agreement with NetDragon, pursuant to which NetDragon agreed that it would not, without the prior written consent of our Board of Directors, during the period commencing on that date and ending 24 months thereafter, sell, transfer or otherwise dispose of any of our ordinary shares it owns provided, however, that such restriction terminated with respect to 50% of the ordinary shares held by NetDragon, on December 13, 2024. Notwithstanding the foregoing, the agreement also provides that after June 13, 2024, NetDragon may sell up to 20% of our ordinary shares it owns, if the trading price for our ADS exceeds 150% of the Reference Price (as defined therein) for any 20 trading days within any 30 consecutive trading days.

Commercial Agreements with NetDragon Affiliates.

On January 14, 2026, we entered into an Inventory Management and Consultancy Agreement (the "Inventory Agreement") with NetDragon, our majority shareholder. Under this agreement: (a) NetDragon will assume initial payment responsibility for invoices issued by our hardware suppliers, subject to a revolving cap of $50 million; (b) we will reimburse NetDragon within 365 days of our receipt of the related inventory, together with simple interest at 3% per annum; (c) the agreement has an initial term of three years and automatically renews annually unless terminated with six months' notice; and (d) if NetDragon does not make a supplier payment when due, we remain responsible to ensure payment is made in accordance with supplier terms. The agreement also provides for certain supply-chain consulting services by a designated NetDragon employee to support pricing negotiations and cost-reduction initiatives.

Effective January 1, 2024, Best Assistant Education Online Limited, a controlled subsidiary of NetDragon, assigned its rights under certain independent contractor agreements that we are a party to, to Elernity Limited ("Elernity"), also a controlled subsidiary of NetDragon. Pursuant to these independent contractor agreements, Elernity and its affiliates provide certain technological design, development and programming services to us in connection with a variety of our products. For the year ended December 31, 2025, we incurred approximately $0.7 million in fees under this agreement. Due to changes in our product development strategies implemented in 2025, we are not anticipating incurring costs under this agreement in future years.

We have also entered into certain distribution agreements with Elernity, pursuant to which we have granted certain distribution rights to Elernity for our products in Saudi Arabia and Cameroon. For the year ended December 31, 2025, we received approximately $0.2 million from Elernity under these agreements.

Effective January 1, 2024, the Company and Promethean entered into a certain Agreement Relating to Accounting Services with NetDragon, pursuant to which we have agreed to assist NetDragon with certain of its financial reporting requirements. The agreement, as amended to date, provides that NetDragon will make the following payments to us in consideration of services rendered by us under the agreement: (i) $0.8 million annually for costs related to certain administrative, accounting, and financial services, (ii) effective January 1, 2025, $1.0 million annually for costs incurred by us in connection with our current annual audit, and (iii) reimbursement of actual costs incurred by us in connection with any complex accounting issues that may arise that, for NetDragon's reporting purposes, must be analyzed under IFRS accounting standards. For the year ended December 31, 2025, we were entitled to receive $1.8 million under this agreement which was offset against monies we owed to Elernity under our independent contractor agreements described above in this Item 7B.

Registration Rights Agreements.

We have entered into Registration Rights Agreements with each of NetDragon and Nurture Education (Cayman) Limited, pursuant to which we have granted them certain "Demand" and 'Piggy-back" registration rights with respect to the ordinary shares held by NetDragon and the ordinary shares underlying the Convertible Note held by Nurture Education (Cayman) Limited.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See “Item 18. Financial Statements,” which contains our financial statements prepared in accordance with U.S. GAAP.

B. Significant Changes

Except as otherwise disclosed in this Annual Report, we are not aware of any significant changes that have occurred since December 31, 2025.

ITEM 9. THE OFFER AND LISTING

A. Offering and Listing Details

See "Item 9.C. Markets."

B. Plan of Distribution

Not applicable.

C. Markets

Since December 13, 2023, our ADS have been traded on the NYSE American under the symbol “MYND.” Each of our ADS presently represents 10 of our ordinary shares. Our ADS were originally listed on the New York Stock Exchange on September 27, 2017, and traded under the symbol “RYB.” On May 24, 2022, our ADS began trading under the symbol “GEHI.” Prior to October 14, 2022, each of our ADSs represented one Class A ordinary share. On October 14, 2022, we effected a change in the ratio of our ADSs to one ADS representing 20 Class A ordinary shares. On October 31, 2023, we effected a further change in the ratio of our ADSs to one ADS representing 10 of our ordinary shares.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital.

Not applicable.

B. Memorandum of Articles of Association,

The information set forth in Exhibit 2.6 is incorporated herein by reference.

C. Material Contracts.

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Item 4. Information on the Company" and "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions" or elsewhere in this Annual Report.

D. Exchange Controls

Not applicable.

E. Taxation.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. In addition, the Cayman Islands does not impose withholding tax on dividend payments and is not party to any double tax treaties that are applicable to any payments made to or by the Company. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution, brought within the jurisdiction of the Cayman Islands.

U.S. Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or ordinary shares by the U.S. Holders described below that hold the ADSs or ordinary shares as "capital assets" (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended, or the Code. This discussion is based upon the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof and any of which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service, or the IRS, with respect to any U.S. federal income tax considerations described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not address the U.S. federal estate, gift, and alternative minimum tax considerations, the Medicare tax on net investment income, or any state, local and non-U.S. tax considerations relating to the ownership or disposition of the ADSs or ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of tax accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- persons who acquire their ADSs or ordinary shares pursuant to any employee share option or otherwise as compensation;
- persons who hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- persons that actually or constructively own 10% or more of our stock (by vote or value);
- passive foreign investment companies or controlled foreign corporations; or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes and their partners;

all of whom may be subject to tax rules that differ significantly from those discussed below.

EACH U.S. HOLDER IS URGED TO CONSULT ITS TAX ADVISOR REGARDING THE APPLICATION OF U.S. FEDERAL TAXATION TO ITS PARTICULAR CIRCUMSTANCES, AND THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSIDERATIONS OF THE OWNERSHIP AND DISPOSITION OF THE ADSS OR ORDINARY SHARES.

General

For purposes of this discussion, a "U.S. Holder" is a person that for U.S. federal income tax purposes is a beneficial owner of the ADSs or ordinary shares that is any of the following:

- an individual who is a citizen or resident of the U.S. or someone treated as a U.S. citizen or resident for U.S. federal income tax purposes;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the law of, the U.S. or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax purposes regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

If an entity or arrangement which is treated as a partnership for U.S. federal income tax purposes is a beneficial owner of the ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Entities or arrangements which are treated as partnerships for U.S. federal income tax purposes and their partners are urged to consult their tax advisors regarding an investment in the ADSs or ordinary shares.

Treasury regulations that apply to taxable years beginning on or after December 28, 2021, or the Foreign Tax Credit Regulations, may in some circumstances prohibit a U.S. person from claiming a foreign tax credit with respect to certain non-U.S. taxes that are not creditable under applicable income tax treaties.

For U.S. federal income tax purposes, it is generally expected that a U.S. Holder of ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of the ADSs will be treated in this manner and that deposits or withdrawals of ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

Dividends

Subject to the discussion below under "Passive Foreign Investment Company Rules," any cash distributions (including the amount of any taxes withheld thereon) paid on our ADSs or ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be treated as a "dividend" for U.S. federal income tax purposes. Dividends received on our ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations.

Individuals and other non-corporate U.S. Holders will be subject to tax at the lower capital gains tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (1) our ADSs are readily tradeable on an established securities market in the U.S., (2) we are neither a PFIC nor treated as such with respect to a U.S. Holder (as discussed below) for the taxable year in which the dividend is paid and the preceding taxable year, (3) certain holding period requirements are met, and (4) such non-corporate U.S. Holders are not under an obligation to make related payments with respect to positions in substantially similar or related property. For this purpose, ADSs listed on New York Stock Exchange will generally be considered to be readily tradable on an established securities market in the U.S. You should consult your tax advisor regarding the availability of the lower rate for dividends paid with respect to our ADSs or ordinary shares.

For U.S. foreign tax credit purposes, dividends paid on our ADSs or ordinary shares generally will be treated as income from foreign sources and generally will constitute passive category income. Subject to certain conditions and limitations, non-US withholding taxes on dividends may be treated as foreign taxes eligible for credit against your U.S. federal income tax liability. If you do not elect to claim a foreign tax credit, you may instead claim a deduction for U.S. federal income tax purposes in respect of such withholding, but only for a year in which you elect to do so for all creditable foreign income taxes. You should consult your tax advisor regarding the creditability of any such withholding tax.

Sale or Other Disposition

Subject to the discussion below under “Passive Foreign Investment Company Rules,” a U.S. Holder will generally recognize gain or loss upon the sale or other disposition of our ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or ordinary shares. The gain or loss will generally be capital gain or loss. Individuals and other non-corporate U.S. Holders who have held the ADS or ordinary shares for more than one year will generally be eligible for reduced tax rates. The deductibility of a capital loss may be subject to limitations. Any such gain or loss that the U.S. Holder recognizes will generally be treated as U.S. source income or loss for foreign tax credit limitation purposes, which will generally limit the availability of foreign tax credits.

Passive Foreign Investment Company Rules

If we are classified as a passive foreign investment company under Section 1297 of the Code (a “*PFIC*”) in any taxable year, a U.S. Holder will be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A non-U.S. corporation, such as the Company, will be classified as a PFIC for any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is passive income (such as interest income) (the “*Income Test*”); or
- at least 50% of its gross assets (determined on the basis of a quarterly average) is attributable to assets that produce passive income or are held for the production of passive income (the “*Asset Test*”).

For this purpose, cash and assets readily convertible into cash are categorized as assets that are held for the production of passive income. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock.

It is uncertain whether we or any of our subsidiaries will be treated as a PFIC for U.S. federal income tax purposes for the current or any subsequent tax year. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation. Fluctuations in the market price of our ADSs may cause us to be classified as a PFIC for the current or future taxable years because the value of our assets for purposes of the Asset Test, including the value of our goodwill and un-booked intangibles, may be determined by reference to the market price of our ADSs form time to time (which may be volatile). Under the Income Test, our status as a PFIC depends on the composition of our income which will depend on the transactions we enter into in the future and our corporate structure. The composition of our income and assets is also affected by the spending of the cash we raise in any offering. Because PFIC status is based on our income, assets, and activities for the entire taxable year, it is not possible to determine whether we will be characterized as a PFIC for the current taxable year or any subsequent year until after the close of the relevant taxable year.

If we are classified as a PFIC in any year with respect to which a U.S. Holder owns our securities, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns our securities, regardless of whether we continue to meet the tests described above for any succeeding year(s) unless (i) we cease to be a PFIC and the U.S. Holder has made a "deemed sale" election under the PFIC rules, or (ii) the U.S. Holder makes a QEF Election (as defined below) with respect to all taxable years during such U.S. Holders holding period in which we are a PFIC. If the "deemed sale" election is made, a U.S. Holder will be deemed to have sold the securities the U.S. Holder holds at their fair market value and any gain from such deemed sale would be subject to the rules described below. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the U.S. Holder's securities with respect to which such election was made will not be treated as shares in a PFIC and the U.S. Holder will not be subject to the rules described below with respect to any "excess distribution" the U.S. Holder receives from us or any gain from an actual sale or other disposition of the securities. U.S. Holders should consult their tax advisors as to the possibility and consequences of making a deemed sale election if we cease to be a PFIC and such election becomes available.

For each taxable year we are treated as a PFIC with respect to U.S. Holders, U.S. Holders will be subject to special tax rules with respect to any "excess distribution" such U.S. Holder receives and any gain such U.S. Holder recognizes from a sale or other disposition (including, under certain circumstances, a pledge) of securities, unless (i) such U.S. Holder makes a QEF Election (as defined below) or (ii) our securities constitute "marketable" securities, and such U.S. Holder makes a mark-to-market election as discussed below. Distributions a U.S. Holder receives in a taxable year that are greater than 125% of the average annual distributions such U.S. Holder received during the shorter of the three preceding taxable years or the U.S. Holder's holding period for the securities will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over a U.S. Holder's holding period for the securities;
- the amount allocated to the taxable year of disposition, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year for individuals or corporations, as appropriate, and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the securities cannot be treated as capital, even if a U.S. Holder holds the securities as capital assets.

If we are a PFIC, a U.S. Holder will generally be subject to similar rules with respect to distributions we receive from, and our dispositions of the capital stock of, any of our direct or indirect subsidiaries that also are PFICs, as if such distributions were indirectly received by, and/or dispositions were indirectly carried out by, such U.S. Holder. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to our subsidiaries.

Certain elections exist that may alleviate some of the adverse consequences of PFIC status and would result in an alternative treatment of the securities. A U.S. Holder may avoid the general tax treatment for PFICs described above by electing to treat us as a "qualified electing fund" under Section 1295 of the Code (a "*QEF*," and such election, a "*QEF Election*") for each of the taxable years during the U.S. Holder's holding period that we are a PFIC. If a QEF Election is not in effect for the first taxable year in the U.S. Holder's holding period in which we are a PFIC, a QEF Election generally can only be made if the U.S. Holder elects to make an applicable deemed sale or deemed dividend election on the first day of its taxable year in which the PFIC becomes a QEF pursuant to the QEF Election. The deemed gain or deemed dividend recognized with respect to such an election would be subject to the general tax treatment of PFICs discussed above. In order to comply with the requirements of a QEF Election, a U.S. Holder must receive a PFIC Annual Information Statement from us. We intend to use commercially reasonable efforts to provide the information necessary for U.S. Holders to make or maintain a QEF Election, including information necessary to determine the appropriate income inclusion amounts for purposes of the QEF Election. However, there is no assurance that we will have timely knowledge of our status as a PFIC in the future or of the required information to be provided. Furthermore, there can be no assurance that we will at all times be in a position to provide such information with respect to any particular U.S. Holder.

If a U.S. Holder makes a QEF Election with respect to a PFIC, it will be taxed currently on its pro rata share of the PFIC's ordinary earnings and net capital gain (at ordinary income and capital gain rates, respectively) for each taxable year that the entity is a PFIC, even if no distributions were received. Any distributions we make out of our earnings and profits that were previously included in such a U.S. Holder's income under the QEF Election would not be taxable to such U.S. Holder. Such U.S. Holder's tax basis in its securities would be increased by an amount equal to any income included under the QEF Election and decreased by any amount distributed on the securities that is not included in its income. In addition, a U.S. Holder will recognize capital gain or loss on the disposition of its securities in an amount equal to the difference between the amount realized and its adjusted tax basis in the securities, each as determined in U.S. dollars. Once made, a QEF Election remains in effect unless invalidated or terminated by the IRS or revoked by the shareholder. A QEF Election can be revoked only with the consent of the IRS. A U.S. Holder will not be currently taxed on the ordinary income and net capital gain of a PFIC with respect to which a QEF Election was made for any taxable year of the non-U.S. corporation that such corporation does not satisfy the Income Test or Asset Test. Each U.S. Holder should consult its tax advisor regarding the availability of, and procedure for making, any deemed gain, deemed dividend or QEF Election.

Alternatively, U.S. Holders can avoid the interest charge on excess distributions or gain relating to the securities by making a mark-to-market election with respect to the securities, provided that the securities constitute "marketable stock." "Marketable stock" is, generally, stock that is "regularly traded" on certain U.S. stock exchanges or on a foreign stock exchange that meets certain conditions. For these purposes, the securities are considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. Our securities are listed on the NYSE, which is a qualified exchange for these purposes. Consequently, if our ordinary shares remain listed on the NYSE and are regularly traded, and you are a U.S. Holder of securities, we expect the mark-to-market election would be available to you if we are a classified as a PFIC. Each U.S. Holder should consult its tax advisor as to the whether a mark-to-market election is available or advisable with respect to the securities.

A U.S. Holder that makes a mark-to-market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the securities at the close of the taxable year over the U.S. Holder's adjusted tax basis in the securities. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the securities over the fair market value of the securities at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains for prior years. Gains from an actual sale or other disposition of the securities will be treated as ordinary income, and any losses incurred on a sale or other disposition of the shares will be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years. Once made, the election cannot be revoked without the consent of the IRS, unless the securities cease to be marketable.

However, a mark-to-market election generally cannot be made for equity interests in any lower-tier PFICs that we own, unless shares of such lower-tier PFIC are themselves "marketable." As a result, even if a U.S. Holder validly makes a mark-to-market election with respect to our securities, the U.S. Holder may continue to be subject to the PFIC rules (described above) with respect to its indirect interest in any of our investments that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors to determine whether any of these elections would be available and if so, what the consequences of the alternative treatments would be in their particular circumstances.

Unless otherwise provided by the IRS, each U.S. shareholder of a PFIC is required to file an annual report containing such information as the IRS may require. A U.S. Holder's failure to file the annual report will cause the statute of limitations for such U.S. Holder's U.S. federal income tax return to remain open with regard to the items required to be included in such report until three years after the U.S. Holder files the annual report, and, unless such failure is due to reasonable cause and not willful neglect, the statute of limitations for the U.S. Holder's entire U.S. federal income tax return will remain open during such period. U.S. Holders should consult their tax advisors regarding the requirements of filing such information returns under these rules.

WE STRONGLY URGE YOU TO CONSULT YOUR TAX ADVISOR REGARDING THE IMPACT OF OUR PFIC STATUS ON YOUR INVESTMENT IN THE SECURITIES AS WELL AS THE APPLICATION OF THE PFIC RULES TO YOUR INVESTMENT IN THE SECURITIES.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the U.S. or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding on a duly executed IRS Form W-9 or otherwise establishes an exemption.

The amount of any backup withholding from a payment to a U.S. Holder may be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and, under regulations, certain entities) may be required to report information relating to the securities, subject to certain exceptions (including an exception for securities held in accounts maintained by certain U.S. financial institutions), by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their federal income tax return. Such U.S. Holders who fail to timely furnish the required information may be subject to a penalty. Additionally, if a U.S. Holder does not file the required information, the statute of limitations with respect to tax returns of the U.S. Holder to which the information relates may not close until three years after such information is filed. U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their ownership and disposition of the securities.

U.S. Treasury Regulations meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the applicable U.S. Treasury Regulations, certain transactions are required to be reported to the IRS including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of foreign currency, to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. U.S. Holders should consult their tax advisors to determine the tax return obligations, if any, with respect to our securities, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

F. Dividends and Paying Agents.

Not applicable.

G. Statement by Experts.

Not applicable.

H. Documents on Display.

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F no later than four months after the close of each fiscal year. Copies of reports and other information, when so filed, may be inspected without charge and may be obtained at prescribed rates at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

You may also view our filings made with the SEC on our website at www.mynd.ai. Upon receiving a request from any shareholder or bondholder who wishes to receive a hard copy of the Company's complete audited financial statements, the Company will furnish such audited financial statements free of charge. Such request may either be directed to Mynd.ai, Inc., 4550 North Point Parkway, Suite 370, Alpharetta, Georgia, 30022, Attn: General Counsel or to investorrelations@mynd.ai. Information contained in our website is not a part of, nor incorporated by reference into, this Annual Report or our other filings with the SEC, and should not be relied upon.

I. Subsidiary Information.

Not applicable.

J. Annual report to security holders.

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Management has identified our negative exposure due to changes in interest rates, foreign currency exchange rates, and inflation as areas of potential risk, which we have evaluated further below.

Interest Rate Risk

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. Our exposure to changes in interest rates is limited. The convertible note issued in late 2023 bears interest at a fixed rate for its full five-year term and therefore does not expose us to variability in cash flows or earnings due to changes in market interest rates.

As of December 31, 2025, we had an outstanding balance of $4.5 million, including principal and interest of $3.0 million and $1.5 million, respectively, under our revolving line of credit with Bank of America, which bears interest at a variable rate. As discussed in "*Item 5.B—Liquidity and Capital Resources*", we expect to repay the remaining outstanding balance under this facility in the first half of 2026 and are in the process of terminating the arrangement. Accordingly, we do not expect changes in market interest rates to have a material impact on our operating results or financial condition.

Foreign Currency Risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. Most of our revenue is denominated in U.S. Dollars. However, as we have operations in foreign countries, primarily in the U.K. and Europe, a stronger U.S. Dollar could make our products and services more expensive in foreign countries and therefore reduce demand. A weaker U.S. Dollar could have the opposite effect. Such exposure to currency fluctuations is difficult to measure or predict because our sales are also influenced by many other factors.

For the year ended December 31, 2025, sales denominated in foreign currencies were approximately 36% of total revenue. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. These foreign currencies primarily consist of the Pound sterling and Euro. For the twelve months ended December 31, 2025, a hypothetical 10% change in these foreign currencies would have increased or decreased our revenue by approximately $6.0 million. Actual gains and losses in the future may differ materially from the hypothetical gains and losses discussed above based on changes in the timing and amount of foreign currency exchange rate movements.

The majority of our costs incurred are denominated in US dollars. This includes payments to all of our key inventory suppliers, as well as people-related costs associated with having our executive officers and the majority of our most senior employees based in the US. Accordingly, our costs are less susceptible to foreign exchange rate risks than our revenue.

Effects of Inflation

Given that we operate in a number of countries across the world, some or all of our operations could at times be adversely affected by inflation both in the markets in which we directly operate, and more broadly as a result of macro-economic changes in inflation. While the quantitative impact of potential future inflation is very difficult to measure, we do not believe the Company is more susceptible to the negative impacts of inflation than other similar market participants. Accordingly, we have not historically viewed the effects of inflation as a material risk to the business, although there can be no assurance that future inflation will not have an adverse impact on our operating results and financial condition.

Tariffs

We actively monitor trade policy and tariff announcements between the U.S. and other countries throughout the world which could result in the imposing of new and/or additional tariffs. We evaluate the potential impact of any such tariffs on our business and financial condition, and we consider actions we may take to mitigate the impact. In addition, we monitor the potential impact, if any, of actions taken by these countries in response to these tariffs. There can be no assurance that the future imposition of any tariffs, changes thereto or potential actions taken by countries in response to the tariffs will not have a material adverse effect upon our results of operations, financial condition, or liquidity in any period, or that any actions we take to mitigate the impact of the tariffs will be effective.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS Holders May Have to Pay

Citibank, N.A. is our depositary. The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

An ADS holder will be required to pay the following fees under the terms of the deposit agreement:

Services	Fees
Issuance of ADSs upon deposit of shares (excluding issuances as a result of distributions of shares)	• Up to US$0.05 per ADS issued
Cancellation of ADSs	• Up to US$0.05 per ADS cancelled
Distribution of cash dividends or other cash distributions (e.g., sale of rights and other entitlements)	• Up to US$0.05 per ADS held
Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	• Up to US$0.05 per ADS held
Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., spin-off shares)	• Up to US$0.05 per ADS held on the applicable record date

Fees and Other Payments Made by the Depositary to Us

The depositary may reimburse us for expenses we incur that are related to the establishment and maintenance of the ADR program, by making available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary may agree from time to time. For the year ended December 31, 2025, we did not receive reimbursement from the depositary.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

A. Defaults

None.

B. Arrears and Delinquencies

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2025. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives of ensuring that information we are required to disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer, who is also our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures, and is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. There is no assurance that our disclosure controls and procedures will operate effectively under all circumstances. Because of material weaknesses in our internal control over financial reporting as described below, our Chief Executive Officer, who also serves as our Chief Financial Officer, concluded that, as of December 31, 2025, our disclosure controls and procedures were not effective.

Our management, including our Chief Executive Officer, who also serves as our Chief Financial Officer, has concluded that, notwithstanding the material weaknesses in our internal control over financial reporting, the consolidated financial statements in this Annual Report on Form 20-F fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

Previously Disclosed Material Weaknesses

In connection with the audit of the consolidated financial statements as of and for the year ended December 31, 2023, management identified material weaknesses in our internal control over financial reporting, which remain unremediated as of December 31, 2025. The material weaknesses identified are noted below:

- We did not design or maintain an effective control environment commensurate with our financial reporting requirements. Specifically, we lacked a sufficient number of resources with an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters timely and accurately. Additionally, the limited personnel resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of our financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in our finance and accounting functions.

- We did not adequately design and maintain an effective risk assessment process at a sufficient precision level to identify new and evolving risks of material misstatement in our financial statements. Specifically, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting.

- We did not design and implement control activities that address relevant risks, retain sufficient evidence of the performance of control activities, or design control activities at the level of precision required to identify potential material errors, across all significant accounts.

These material weaknesses contributed to the following additional material weaknesses:

- We did not design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures.

- We did not design and maintain effective controls related to the period-end reporting process, including controls over the business performance reviews, account reconciliations, journal entries, and maintaining appropriate segregation of duties.

- We did not adequately design and maintain effective controls over the identification of and accounting for certain non-routine, complex, unusual events or transactions.

- We did not design and maintain effective information technology ("IT") general controls for information systems that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain: (1) program change management controls to ensure that program and data changes are identified, tested, authorized, and implemented appropriately; (2) user access controls to ensure appropriate segregation of duties that adequately restrict user and privileged access to appropriate personnel; (3) computer operations controls to ensure that processing and transfer of data, and data backups and recovery are monitored; and (4) program development controls to ensure that new software development is tested, authorized and implemented appropriately.

These material weaknesses could result in a misstatement of substantially all of our accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

As discussed below, we continue to take steps to remediate these material weaknesses in internal control over financial reporting; however, we are not yet able to determine whether the steps we are taking will fully remediate these material weaknesses.

Remediation

We continue to design and implement our remediation plan to remediate these material weaknesses. Those remediation measures are ongoing and include the following:

- We have hired accounting personnel with the requisite skills and expertise to bolster our technical reporting and transactional accounting. We are designing and implementing controls to formalize roles and review responsibilities to align with our team’s skills and experience and implement formal controls over segregation of duties.

- We are designing and implementing procedures and controls to identify and evaluate changes in our business and technology and their impact on our controls.

- We are designing and implementing procedures and controls to identify and account for non-routine, complex and unusual events or transactions and other technical accounting and financial reporting matters including controls over the preparation and review of accounting memoranda addressing these matters.

- We are enhancing formal processes, policies, procedures and controls supporting our financial close process.

- We are designing and implementing IT governance processes; logical access processes; enhancing role-based access and logging capabilities; IT policies and procedures over change management, computer operations and program development.

- We are designing and implementing accounting policies and procedures to achieve complete, accurate and timely financial accounting, reporting and disclosures.
- We are designing and implementing an effective risk assessment process at a sufficient precision level to identify new and evolving risks of material misstatement in our financial statements.

Our remediation efforts have been hindered by the structural transformation plans we implemented in 2025 across our senior leadership team, our product developments strategies, and our go-to-market approach. Not only did these plans take focus away from our remediation of the above identified material weaknesses, these transformations included cost optimization decisions which reduced overall employee headcount and eliminated certain general and administrative expenses, thus limiting the resource available for our remediation efforts.

We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting, or that they will prevent or avoid potential future material weaknesses. As management continues to evaluate and work to improve our internal control over financial reporting, we may determine it necessary to take additional measures or modify the remediation plan described above. Even after we effect our remediation plan, the material weaknesses cannot be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

B. Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework (2013). Based on its assessment, our management, including our Chief Executive Officer, who also serves as our Chief Financial Officer, has concluded that our internal control over financial reporting was not effective as of December 31, 2025 due to material weaknesses in our internal control over financial reporting, as discussed above in "*Item 15A Disclosure Controls and Procedures*."

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

C. Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. As a non-accelerated filer, as defined under Rule 12b-2 of the Exchange Act, we are not subject to the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act (and the SEC rules and regulations thereunder).

D. Changes in Internal Control Over Financial Reporting

We are taking actions to remediate the material weaknesses relating to our internal controls over financial reporting, as described in "*Item 15A Disclosure Controls and Procedures*." Except as otherwise described herein, there was no change in our internal control over financial reporting that occurred during the period covered by this Annual Report on Form 20-F that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE AND FINANCIAL EXPERT

Our board of directors has determined that Ms. Denise Merle, an independent director as defined in Rule 10A-3 of the Securities Exchange Act of 1934 and a member of our audit committee, qualifies as an "audit committee financial expert" as defined in Item 16A of Form 20-F.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a code of business conduct that applies to all of our directors, executive officers and employees. The code of business conduct is available on our official website under the corporate governance section at www.mynd.ai. The information on our website is not intended to form a part of or be incorporated by reference into this Annual Report.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by our independent registered public accounting firm, Deloitte & Touche LLP and its associated entities, for the periods indicated. We did not pay any other fees to our auditors during the periods indicated below.

	For the Year Ended December 31,	
	2025	2024
	(in thousands of US$)	
Audit fees [1]	$ 1,749	$ 2,005
Audit-related fees [2]	—	—
Tax fees [3]	—	—
All other fees [4]	—	20
	$ 1,749	$ 2,025

[1] "Audit fees" means the aggregate fees billed for professional services rendered by our principal auditors for the audit of our annual consolidated financial statements and the review of documents filed with the SEC.

[2] "Audit-related fees" means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors that are reasonably related to the performance of the audit or review of our financial statements and not reported under "Audit fees".

[3] "Tax fees" means the aggregate fees billed in each of the fiscal years listed for tax compliance, tax advice, and tax planning.

[4] All "other fees" means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors associated with certain financial due diligence services and other advisory services.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by Deloitte & Touche LLP, our independent registered public accounting firm, including audit services and tax services as described above.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Period	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs
January 2, 2025 - January 8, 2025	52,965 ADS	$2.02 per ADS	52,965 ADS	$ 9,560,576
Total	52,965 ADS	$2.02 per ADS	52,965 ADS	$ 9,560,576

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions of the securities rules and regulations that are applicable to U.S. domestic issuers. Moreover, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. In addition, as a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the New York Stock Exchange corporate governance standards. While we voluntarily follow most NYSE corporate governance standards, we do not intend to follow the NYSE rules below:

The NYSE Listed Company Manual requires an annual meeting of shareholders to be held no later than one year after the end of the fiscal year. In this regard, we have elected to adopt the practices of our home country, the Cayman Islands, which practices do not require an annual meeting of shareholders to be held annually. Accordingly, we presently do not intend to hold an annual meeting of shareholders in 2026. We may, however, hold annual meetings of shareholders in the future.

In addition, the NYSE Listed Company Manual requires shareholder approval for certain matters, such as requiring that shareholders must be given the opportunity to vote on all equity compensation plans and material revisions to those plans, which is not required under the Cayman Islands law. We intend to comply with the requirements of Cayman Islands law only in determining whether shareholder approval is required.

The NYSE Listed Company Manual also requires that with respect to the Nominating Committee, such committee be comprised solely of independent directors or by a majority of the independent directors. With respect to this requirement, we have elected to adopt the practices of our home country, the Cayman Islands, which does not require our Nominating Committee to be comprised solely of or by a majority of independent directors. Notwithstanding the foregoing, under the charter which has been adopted for our Nominating and Corporate Governance Committee, they will make recommendations to our board of directors of the nominees for director and our board, comprised of a majority of independent directors, will evaluate such nominees for proposal to our shareholders for appointment.

See “Item 3. Key Information—D. Risk Factors—Risks Related to the ADSs—We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies” and “—As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the NYSE corporate governance standards; these practices may afford less protection to shareholders than they would enjoy if we comply fully with the NYSE corporate governance standards.”

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted an insider trading policy that contains procedures governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees. Such policy is filed hereto as Exhibit 11.1 to this Annual Report.

ITEM 16K. CYBERSECURITY

Risk management and strategy

We recognize the critical importance of developing, implementing, and maintaining appropriate cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of our data. Accordingly, we engage in continuous and ongoing efforts to safeguard our information systems and protect the confidentiality, integrity and availability of our data.

Managing Material Risks and Integrating Cybersecurity Risk with Overall Risk Management

We maintain cybersecurity policies and procedures that are designed to identify, protect from, detect, respond to, and recover from cybersecurity threats and risks, and protect the confidentiality, integrity, and availability of our information systems, including the personal information residing on such systems. We take a risk-based approach to cybersecurity, which begins with the identification and evaluation of cybersecurity risks or threats that could affect our operations, our legal or regulatory compliance obligations, our reputation or our finances. Cybersecurity risks are identified, and risk mitigation strategies are developed and implemented, based on the specific nature of the identified cybersecurity risks and our determination as to the potential threat of the identified risks. These strategies include, among others, software updates and changes, bug fixes, the application of our cybersecurity policies and procedures, implementation of administrative, technical, and physical data security controls, data segregation and access controls, and employee training, education, and awareness initiatives.

Our cybersecurity policies and procedures have been implemented to mitigate cybersecurity risk and our efforts to mitigate cybersecurity risks are a component of our broader risk management efforts.

Engagement of Third-Parties For Cybersecurity Risk Management Support

From time to time, we engage cybersecurity consultants, auditors, and other third parties to assess and enhance our cybersecurity practices. These third parties conduct assessments, penetration testing, and vulnerability assessments to help us identify weaknesses and, in some cases, to recommend improvements. Additionally, we use certain third-party tools and technologies as part of our efforts to enhance cybersecurity functions including vulnerability scanning tools, key management services, data encryption and continuous monitoring, detection, and response capabilities.

Oversight of Third-Party Service Providers

Given the importance of cybersecurity, we evaluate third-party service providers that either provide or support our information systems from a cybersecurity risk perspective. We endeavor to assess service-provider risks based upon the services each such third-party service provider may provide and the potential threat impact of each such service provider’s services. Our risk evaluations are used to inform our third-party service provider cybersecurity risk assessments and our assessments may include review of appropriate reports or certifications relating to the service provider’s security controls and practices or review of the service provider’s physical and technical security measures, practices and procedures.

Risks from Cybersecurity Threats

To date, we have not identified any cybersecurity threats that have materially affected, or are reasonably likely to have a material effect on, our operations or financial condition.

Governance

Board Oversight

The Board is responsible for overseeing management's assessments of major risks and for reviewing the strategies, practices and procedures to mitigate such risks. The Board's oversight of major risks, including cybersecurity risks, occurs at both the full Board level and at the Board committee level through the Audit Committee.

The Board. At regularly scheduled Board meetings, the Chief Executive Officer, Chief Financial Officer, the Executive Vice President and General Counsel, members of senior management, and other personnel and advisors, as requested by the Board, may report on the Company's financial, operating, and commercial strategies, as well as major potential risks including but not limited to cybersecurity risks. Based on these reports, the Board may request follow-up information, data or presentations to address any specific concerns and recommendations. Additionally, the Audit Committee has opportunities to report regularly to the entire Board, and to review with the Board, any major issues that arise at the Audit Committee level, which may include issues relating to cybersecurity risks.

The Audit Committee. The Audit Committee will review with management the Company's risk management practices including but not limited to our cybersecurity strategies, policies, procedures and practices. The Chief Executive Officer, Chief Financial Officer, Executive Vice President and General Counsel, members of senior management, and other personnel and advisors, as requested by the Audit Committee, may provide periodic reports to the Audit Committee with regards to the Company's risk management practices, personal data privacy practices and cybersecurity practices and procedures.

Management's Role Managing Risk From Cybersecurity Threats

Our management team plays a critical role in our risk management activities including our cybersecurity risk management activities. Designated employees perform duties relating to personal data privacy, data security, and cybersecurity, and are actively involved in assessing and managing personal data privacy and cybersecurity risks. These employees have the necessary education and certifications, relevant previous work experience, and training, including ongoing training on current and emerging cybersecurity risks, to perform their assigned duties in these areas. Collectively, these employees work with our management team to implement cybersecurity policies, programs, procedures, and strategies to mitigate such risks.

Our management team engages in a range of cybersecurity risk mitigation activities including, for example, the adoption and implementation of policies and procedures to identify threats, deployment of security architectures, delivery of required cybersecurity training for all employees, and maintenance of a data security incident response plan. Our management team has instructed other team members to conduct tests to identify, classify, prioritize, remediate, and mitigate vulnerabilities. In addition, our management team meets with team members regularly to, among other things, endeavor to identify cybersecurity threats and to provide guidance as to strategy.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

AUDITED CONSOLIDATED FINANCIAL INFORMATION OF MYND.AI

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Mynd.ai, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Mynd.ai, Inc. and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity (deficit), and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment Evaluation of Indefinite Lived Intangible Assets — Refer to Note 2 & Note 7

Critical Audit Matter Description

The Company’s evaluation of the indefinite-lived intangible asset (tradename) for impairment involves the comparison of the estimated fair value of the tradename to its carrying amount. In estimating the fair value of the tradename, the Company uses a relief from royalty income-based method, which requires management to estimate forecasts of revenue, royalty rates, and discount rates. The tradename balance was $36 million as of December 31, 2025. The estimated fair value of the tradename exceeded their carrying values as of the measurement date and, therefore, no impairment was recognized.

We identified management’s estimation of the fair value of the tradename as a critical audit matter because of the significant estimates and assumptions management makes to estimate its fair value and the sensitivity of the estimates to the determination of fair value. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management’s estimates and assumptions related to forecasts of revenues, discount rate, and royalty rate.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the forecasts of revenues, discount rate, and royalty rate, included the following, among others:

- We evaluated the reasonableness of management's projections by comparing the projections to:
  - historical results
  - budget approved by management and the Company’s board of directors
  - information included in industry reports and certain of its peer companies
  - Internal communications to management and the board of directors
- We evaluated the competency and objectivity of management's expert engaged by the Company to assist in the determination of fair value using the relief from royalty valuation method.
- With the assistance of our fair value specialists, we evaluated the reasonableness of management's valuation methodology and significant assumptions by:
  - Evaluating the reasonableness of the discount rate and royalty rate by comparing the underlying source information to publicly available market data and verifying the accuracy of the calculations.
  - Evaluating the appropriateness of the valuation method used by management and testing the mathematical accuracy.

/s/ DELOITTE & TOUCHE LLP

Seattle, Washington

May 28, 2026

We have served as the Company's auditor since 2022.

Mynd.ai, Inc.
CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

	As of December 31,	
	2025	**2024**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,481	$ 75,317
Accounts receivable, net of allowance for credit losses of $614 and $211, respectively	24,849	30,506
Inventories	29,713	28,638
Prepaid expenses and other current assets	7,971	11,601
Due from related parties	3,095	1,561
Total current assets	84,109	147,623
Non-current assets:		
Goodwill	44,961	44,130
Property, plant, and equipment, net	11,767	14,595
Intangible assets, net	36,185	39,521
Right-of-use assets, net	2,073	3,448
Deferred tax assets, net	87	34
Other non-current assets	3,345	3,268
Total non-current assets	98,418	104,996
Total assets	182,527	252,619
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	37,947	40,485
Accrued expenses and other current liabilities	34,836	45,959
Loans payable, current	2,897	10,931
Contract liabilities	12,272	11,281
Accrued warranties	15,918	15,749
Lease liabilities, current	1,011	1,047
Due to related parties	5,343	4,621
Total current liabilities	110,224	130,073
Non-current liabilities:		
Loans payable, non-current	61,083	58,077
Loans payable, related parties, non-current	—	5,006
Contract liabilities, non-current	17,971	18,581
Lease liabilities, non-current	1,751	2,761
Deferred tax liabilities	9,000	9,756
Total non-current liabilities	89,805	94,181
Total liabilities	200,029	224,254
Commitments and contingencies (Note 11)		
Shareholders’ equity (deficit):		
Ordinary shares par value of $0.001; 990,000,000 shares authorized. 465,868,720 shares issued and 462,192,400 shares outstanding as of December 31, 2025. 456,477,820 shares issued and 454,958,590 shares outstanding as of December 31, 2024. 10,000,000 shares, $0.001 par value, without designation; none authorized, issued and outstanding as of December 31, 2025 and 2024.	465	456
Treasury shares, at cost, 3,676,320 and 1,519,230 shares, respectively	(454)	(342)
Additional paid-in capital	487,481	479,480
Accumulated other comprehensive income	3,648	3,344
Accumulated deficit	(508,642)	(454,573)
Total shareholders’ (deficit) equity	(17,502)	28,365
Total liabilities and shareholders’ equity	$ 182,527	$ 252,619

See accompanying notes to the consolidated financial statements.

Mynd.ai, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

	Year Ended December 31,		
	2025	**2024**	**2023**
Revenue	$ 167,931	$ 267,381	$ 411,757
Cost of revenue	132,643	201,140	311,272
Gross profit	35,288	66,241	100,485
Operating expenses, net:			
General and administrative	26,514	33,427	30,964
Research and development	12,828	25,253	34,604
Sales and marketing	38,915	42,115	51,477
Transaction-related costs	304	—	19,288
Restructuring and other expenses	6,823	3,484	10,195
Total operating expenses	85,384	104,279	146,528
Operating loss	(50,096)	(38,038)	(46,043)
Other income (expense):			
Interest expense	(10,050)	(10,371)	(4,658)
Interest income	827	2,659	223
Gain on embedded derivative	2,777	11,389	432
Other income (expense)	2,087	(1,384)	1,598
Total other (expense) income	(4,359)	2,293	(2,405)
Net loss from continuing operations, before income taxes	(54,455)	(35,745)	(48,448)
Income tax benefit (expense)	384	(68,732)	9,658
Net loss from continuing operations	(54,071)	(104,477)	(38,790)
Income (loss) from discontinued operations, net of tax	—	8,725	(605)
Net loss	(54,071)	(95,752)	(39,395)
Net (loss) income from discontinued operations attributable to non-controlling interests	—	(33)	33
Net (loss) income attributable to non-controlling interests	—	(33)	33
Net loss from continuing operations attributable to ordinary shareholders	(54,071)	(104,477)	(38,790)
Net income (loss) from discontinued operations attributable to ordinary shareholders	—	8,758	(638)
Net loss attributable to ordinary shareholders	$ (54,071)	$ (95,719)	$ (39,428)
Net (loss) income per ordinary share			
From continuing operations: Basic and Diluted	$ (0.12)	$ (0.23)	$ (0.09)
From discontinued operations: Basic and Diluted	$ —	$ 0.02	$ —
Total basic and diluted	$ (0.12)	$ (0.21)	$ (0.09)
Weighted average shares outstanding used in calculating net (loss) income per share: Basic and diluted	456,830,533	456,471,923	427,986,755

See accompanying notes to the consolidated financial statements.

Mynd.ai, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31,		
	2025	**2024**	**2023**
Net loss	$ (54,071)	$ (95,752)	$ (39,395)
Other comprehensive loss, net of tax of nil:			
Change in foreign currency translation reserve	212	497	(1,033)
Release of foreign currency translation reserve to net loss as a result of disposition	—	(566)	—
Total comprehensive loss	(53,859)	(95,821)	(40,428)
Less: comprehensive income attributable to non-controlling interest	—	67	33
Comprehensive loss attributable to Mynd.ai Inc.	$ (53,859)	$ (95,888)	$ (40,461)

See accompanying notes to the consolidated financial statements.

Mynd.ai, Inc.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY (DEFICIT)
(in thousands, except for share and per share data)

	Common Stock		Treasury Stock							
	Shares	Amount	Shares	Amount	APIC	AOCI	Accumulated Deficit	Total Mynd.ai Shareholders' Equity (Deficit)	Non-controlling Interest	Total Shareholders' Equity (Deficit)
Balance, January 1, 2023	426,422,220	$ 426	—	$ —	$ 448,065	$ 4,546	$ (319,426)	$ 133,611	$ —	$ 133,611
Net (loss) income	—	—	—	—	—	—	(39,428)	(39,428)	33	(39,395)
Foreign currency translation	—	—	—	—	—	(1,033)	—	(1,033)	—	(1,033)
Contributions from Controlling Shareholder	—	—	—	—	2,707	—	—	2,707	—	2,707
Acquisition of business	30,055,600	30	—	—	22,818	—	—	22,848	1,856	24,704
Balance, December 31, 2023	456,477,820	456	—	—	473,590	3,513	(358,854)	118,705	1,889	120,594
Net loss	—	—	—	—	—	—	(95,719)	(95,719)	(33)	(95,752)
Foreign currency translation	—	—	—	—	—	397	—	397	100	497
Disposition of subsidiary	—	—	—	—	—	(566)	—	(566)	(1,956)	(2,522)
Share-based compensation	—	—	—	—	3,698	—	—	3,698	—	3,698
Share repurchase	—	—	(1,519,230)	(342)	—	—		(342)	—	(342)
Forgiveness of related party payables	—	—	—	—	2,412	—	—	2,412	—	2,412
Other equity adjustments	—	—	—	—	(220)	—	—	(220)	—	(220)
Balance, December 31, 2024	456,477,820	456	(1,519,230)	(342)	479,480	3,344	(454,573)	28,365	—	28,365
Net loss	—	—	—	—	—	—	(54,071)	(54,071)	—	(54,071)
Foreign currency translation	—	—	—	—	—	212	—	212	—	212
Share-based compensation	—	—	—	—	2,883	—	—	2,883	—	2,883
Vested share-based compensation, net of shares withheld for taxes	9,390,900	9	—	—	(221)	—	—	(212)	—	(212)
Share repurchase	—	—	(529,650)	(110)	—	—	—	(110)	—	(110)
Forgiveness of related party payables	—	—	—	—	5,217	—	—	5,217	—	5,217
Warrant issued	—	—	—	—	212	—	—	212	—	212
Other equity adjustments	—	—	(1,627,440)	(2)	(90)	92	2	2	—	2
Balance, December 31, 2025	465,868,720	$ 465	(3,676,320)	$ (454)	$ 487,481	$ 3,648	$ (508,642)	$ (17,502)	$ —	$ (17,502)

See accompanying notes to the consolidated financial statements.

Mynd.ai, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (54,071)	$ (95,752)	$ (39,395)
Loss (income) from discontinued operations, net of tax	—	(8,725)	605
Net loss from continuing operations	(54,071)	(104,477)	(38,790)
Adjustments to reconcile net loss from continuing operations to net cash (used in) provided by operating activities:			
Depreciation and amortization	8,995	5,698	4,973
Deferred taxes	(807)	67,669	(10,828)
Non-cash lease expense	1,509	1,737	1,958
Non-cash interest expenses	5,831	4,844	325
Gain on embedded derivative	(2,777)	(11,389)	(432)
Share-based compensation	2,883	3,698	—
Amortization of RDEC credit	(1,886)	(1,182)	(839)
Accrued tax credit RDEC	—	—	(1,732)
Net realizable value adjustments to inventory	825	—	4,630
Write-off of prepaid subscriptions	—	—	5,668
Loss on disposal of property, plant and equipment	260	—	—
Other	93	90	71
Change in operating assets and liabilities:			
Accounts receivable	14,404	33,365	(679)
Inventories	(924)	25,251	54,734
Prepaid expenses and other assets	4,309	1,270	(5,482)
Prepaid subscriptions	—	—	1,632
Due from related parties	(1,534)	533	482
Accounts payable	(3,813)	(17,675)	(23,651)
Accrued expenses and other liabilities	(17,822)	(2,439)	(1,329)
Accrued warranties	(305)	(2,037)	3,883
Due to related parties	722	1,491	1,083
Contract liabilities	4	(5,743)	6,966
Lease obligations - operating leases	(1,399)	(1,579)	(1,903)
Net cash (used in) provided by operating activities - continuing operations	(45,503)	(875)	740
Net cash (used in) provided by operating activities - discontinued operations	—	1,661	(3,098)
Net cash (used in) provided by operating activities	(45,503)	786	(2,358)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property, plant and equipment	(94)	(1,283)	(389)
Internal-use software development costs	(2,511)	(8,465)	(4,434)
Repayment of loan receivable, related party	—	—	8,019
Proceeds from disposition of GEH Singapore	—	20,000	—
Acquisition of businesses, net of cash	—	—	10,375
Net cash (used in) provided by investing activities - continuing operations	(2,605)	10,252	13,571
Net cash provided by (used in) investing activities - discontinued operations	—	(5,942)	5,763
Net cash (used in) provided by investing activities	(2,605)	4,310	19,334
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of Revolver	(16,000)	(38,000)	(80,300)
Debt issuance costs paid	—	(90)	—
Proceeds from Revolver	8,000	17,000	62,000
Proceeds from convertible note	—	—	64,884
Contingent consideration payments	—	(1,007)	(2,174)
Repayment of Paycheck Protection Program Loan	(82)	(192)	(192)
Proceeds from NetDragon group loans	—	—	219
Share repurchase	(110)	(342)	—
Taxes withheld and paid related to net share settlement of share-based compensation awards	(221)	—	—
Net cash (used in) provided by financing activities - continuing operations	(8,413)	(22,631)	44,437
Net change in cash	(56,521)	(17,535)	61,413
Cash and cash equivalents, beginning of year	75,317	91,784	29,312
Exchange rate effects	(315)	1,068	1,059
Cash and cash equivalents, end of year	$ 18,481	$ 75,317	$ 91,784
Supplemental disclosure of non-cash investing and financing activities transactions:			
Continuing operations:			
Convertible notes issued in exchange for accrued PIK interest	$ 3,458	$ 3,309	$ —

Convertible notes issued in exchange for accrued PIK interest	$	[illegible]	$	[illegible]	$	[illegible]
Decrease in goodwill due to measurement period adjustments relating to business acquisition, net	$	—	$	1,228	$	—
Lease assets acquired in exchange for lease liabilities	$	102	$	2,838	$	—
Forgiveness of related party payables	$	5,217	$	2,412	$	—
Noncash consideration transferred for acquisition of businesses	$	—	$	—	$	22,848
Noncash consideration transferred for asset acquisition	$	212	$	—	$	—
Discontinued operations:						
Lease assets acquired in exchange for lease liabilities	$	—	$	5,044	$	—
Supplemental disclosure of cash transactions:						
Cash paid for interest	$	3,458	$	5,387	$	5,223
Cash received for tax refunds, net	$	1,357	$	1,397	$	914

See accompanying notes to the consolidated financial statements.

Note 1. Organization

Mynd.ai, Inc. ("the Company"), a Cayman Islands company, provides global, end-to-end, learning solutions and collaboration tools to help teachers, schools, students, and professionals realize their greatest potential. The Company generates substantially all of its revenue through Promethean World Limited and its consolidated subsidiaries ("Promethean"). The Company's global headquarters is in Alpharetta, Georgia, U.S., and it conducts its business through its various subsidiaries throughout the world, with operations principally focused in the U.S., Europe, and the U.K.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and follow the requirements of the Securities and Exchange Commission (the "SEC") for annual reporting for a foreign private issuer.

Discontinued Operations

When the Company has sold or abandoned a business component that represents a strategic shift with a major effect on the Company's operations and financial results, it classifies that business component as a discontinued operation and retrospectively presents discontinued operations for the comparable periods. The post-tax income, or loss, of discontinued operations are shown as a single line on the face of the consolidated statements of operations. The disposition of the discontinued operation would also result in a gain or loss upon final disposition. Unless otherwise indicated, amounts provided in the notes to the consolidated financial statements pertain to continuing operations. Refer to *Note 20. Discontinued Operations* for details related to prior-period discontinued operations.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and its partially owned subsidiaries and non-controlling interests. All intercompany balances and transactions have been eliminated in consolidation.

As of December 31, 2025, the Company has no non-controlling interests outstanding; the non-controlling interest related to the Global Eduhub Holdings Limited and subsidiaries business ("GEH Singapore"), which was sold in 2024 (see *Note 20. Discontinued Operations*).

Use of Estimates

The preparation of the consolidated financial statements, in conformity with U.S. GAAP, requires the Company to make estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Important estimates and assumptions relate to revenue recognition, impairment of obsolete and slow-moving inventories, valuation of assets acquired and liabilities assumed in business combinations, evaluation of finite-lived tangible and intangible assets, goodwill and indefinite-lived intangible assets for impairment, valuation of embedded derivatives, provision for warranty costs and valuation allowance for deferred tax assets. These estimates and judgments are subject to change based on experience and new information which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affecting future periods. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Liquidity and Capital Resources

As of December 31, 2025, the Company had $18,481 in cash and cash equivalents, negative net working capital of $26,115 and used $45,503 in cash to fund its operations for the year ended December 31, 2025.

Due to recent adverse market conditions faced by the Company, management implemented initiatives designed to increase revenue, reduce costs, and reduce our cash used in operations in future years. Specifically, during 2025, the Company (i) made changes to its executive management team; (ii) launched several new hardware products and entered into new hardware and software partnerships; (iii) transformed its product development strategy to decrease the length of time between product launches; and (iv) simplified and aligned its global go-to-market approach to focus on our relationships with its channel distributors and significant resellers. These initiatives reduced total employee headcount from 505 as of December 31, 2024 to 371 as of December 31, 2025, which resulted in non-recurring restructuring costs of $6,375. These initiatives also resulted in a reduction of previously recurring operating expenses.

On January 14, 2026, the Company entered into an Inventory Management and Consultancy Agreement (the "Inventory Agreement") with NetDragon Websoft Holdings Limited ("NetDragon"), a related party and the Company's majority shareholder, under which (i) NetDragon assumes initial payment responsibility for hardware supplier invoices, subject to a $50,000 revolving cap and (ii) a designated NetDragon employee will provide supply-chain consulting services to the Company. The Company is obligated to reimburse NetDragon within 365 days of inventory receipt, together with simple interest at 3% per annum. If the NetDragon consultant fails to achieve the agreed upon target in cost reductions in any calendar year, the Company will be entitled to a credit in the amount of all interest paid to NetDragon during the preceding calendar year. The agreement has an initial three-year term and automatically renews for successive one-year periods unless terminated with six months' prior written notice. If NetDragon fails to make timely payment to any supplier, the Company remains responsible to ensure payment per the supplier's terms. The Inventory Agreement is the instrument through which NetDragon has committed to provide the necessary funds so that the Company can meet its business commitments and obligations for a period of at least 12 months from the date these consolidated financial statements have been issued.

The Company believes the combination of: (i) the operational plans implemented in 2025 discussed above; (ii) the Inventory Agreement described above; and (iii) its existing sources of liquidity, including expected future cash flows from operations, will allow the Company to fund operating and capital needs for at least the next 12 months from the date these consolidated financial statements have been issued. Accordingly, the consolidated financial statements have been prepared on a going concern basis. As noted above, the Company's ability to satisfy its short-term payment obligations is highly reliant on NetDragon's ongoing funding of supplier invoices pursuant to the Inventory Agreement. Absent this support, the Company's existing cash resources may be insufficient to meet near-term operating requirements.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand with financial institutions. The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of December 31, 2025 and 2024, the Company had no cash equivalents.

Concentration of Credit Risk

Credit risk represents the risk that the Company would incur a loss if counterparties failed to perform pursuant to the terms of their agreements. Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash balances with financial institutions in federally insured accounts and for certain institutions has cash balances in excess of the insurance limits. These deposits and funds may be redeemed upon demand and the Company does not anticipate any losses on such balances. The Company has not experienced any losses to date and believes that it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Trade accounts receivables are recorded at the invoiced amount and do not bear interest.

The allowance for credit losses is the Company's best estimate of the credit losses in existing accounts receivable. The Company monitors the financial performance, historical and expected collection patterns, and creditworthiness of its customers so that it can properly assess and respond to changes in their credit profile. The Company also monitors domestic and international economic conditions for the potential future effect on its customers. Past due balances are reviewed individually for collectability. Account balances are charged against the allowance for credit losses when the Company determines it is probable the receivable will not be recovered. All allowance for credit losses are charged to general and administrative expenses on the Company's consolidated statements of operations.

The allowance for credit losses as of December 31, 2025, 2024, and 2023 was as follows:

	December 31,		
	2025	2024	2023
Balance at beginning of period	$ 211	$ 2,599	$ 2,970
Adjustments and provision for estimated credit losses	808	—	(371)
Write-offs and collections of accounts receivable	(427)	(2,379)	—
Foreign currency adjustments	22	(9)	—
Balance at end of period	$ 614	$ 211	$ 2,599

Inventories

Inventories are valued at the lower of cost or net realizable value ("NRV"). The Company measures the cost of inventories based on the first-in, first-out method. Inventory costs include expenditures incurred in acquiring the inventories, production or conversion costs, as well as other costs incurred in bringing them to their existing location and condition. The Company periodically makes judgments and estimates regarding the future utility and carrying value of inventory. The carrying value of inventory is periodically reviewed and impairments, if any, are recognized when the expected NRV is less than the carrying value. Inventory is comprised of finished products intended for sale.

Goodwill

Goodwill, which represents the excess of the purchase price over the fair value of net assets acquired, is carried at cost, less any impairment. Goodwill is not amortized; rather, it is subject to a periodic assessment for impairment by applying a fair value-based test.

Intangible Assets

Intangible assets, which consist of patents and developed technology, are stated at cost less accumulated amortization. For finite-lived intangible assets, amortization is generally recorded on a straight-line basis over estimated useful lives ranging from two to ten years. The Company periodically reviews the estimated useful lives of intangible assets and adjusts them when events indicate that a shorter life is appropriate.

Indefinite-lived intangible assets are not subject to amortization. Each reporting period, the Company evaluates whether events and circumstances continue to support an indefinite useful life. If an indefinite-lived intangible asset is subsequently determined to have a finite useful life, it is amortized prospectively over its estimated remaining useful life.

Impairment

Long-lived assets, other than goodwill and indefinite-lived intangibles, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the long-lived assets may not be recoverable through the estimated undiscounted future cash flows derived from such assets.

Factors that the Company considers in deciding when to perform an impairment review include significant changes in the Company's forecasted projections for the asset or asset group for reasons including, but not limited to, significant underperformance of a product in relation to expectations, significant changes or planned changes in the Company's use of the assets, significant negative industry or economic trends, and new or competing products that enter the marketplace. The recoverability test is based on a comparison of the undiscounted cash flows expected to be generated from the use of the asset group to the carrying value of that asset group. If impairment is indicated, the asset is written down by the amount by which the carrying amount of the asset exceeds the related fair value of the asset, with the related impairment charge recognized within the statements of operations.

Indefinite-lived intangible assets are tested for impairment annually and more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. The Company has the option to assess the qualitative factors in determining whether it is more likely than not the fair value of the indefinite lived intangible asset is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative impairment test. If the Company determines that it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount, then a quantitative impairment test is performed. Impairment tests are performed, at a minimum, on December 31st each year.

The Company uses an income approach (generally the relief from royalty method) to determine the estimated fair value of its indefinite-lived intangible assets in concluding whether the fair value of these indefinite-lived intangible assets exceeded their carrying amounts. If the fair value exceeds the carrying amount, then no impairment is recognized. If the carrying amount exceeds the fair value calculated, then an impairment charge is recognized for the difference. The impairment review requires the Company to make judgments in determining various assumptions with respect to revenues, growth rates, royalty rates, and discount rates, which are classified as Level 3 fair value inputs. The judgments made in determining the estimated fair value of an indefinite-lived intangible asset can materially impact the Company's financial condition and results of operations.

Goodwill is evaluated for impairment on an annual basis at a level of reporting referred to as the reporting unit, and more frequently if adverse events or changes in circumstances indicate that the asset may be impaired. The Company has the option to assess the qualitative factors in determining whether it is more likely than not the fair value of the reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment test. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative goodwill impairment test is performed. Impairment tests are performed, at a minimum, on December 31st each year.

The Company may use the income approach (utilizing future estimated discounted cash flows) or the market approach (utilizing revenue multiples of guideline public companies with similar operations and economic characteristics) or a combination of both to determine the estimated fair value of reporting units in determining whether the fair value of its reporting units exceeded their carrying amounts. If the fair value exceeds the carrying amount, then no impairment is recognized. If the carrying amount exceeds the fair value calculated, then an impairment charge is recognized for the difference. The impairment review requires the Company to make judgments in determining various assumptions with respect to revenues, operating margins, growth rates, discount rates, and market multiples of comparable companies, which are classified as Level 3 fair value inputs. The judgments made in determining the estimated fair value of a reporting unit can materially impact the Company's financial condition and results of operations.

Right-of-use Assets and Lease Liabilities

The Company has entered into lease agreements for certain facilities, vehicles, and equipment, which provide the right to use the underlying asset and require lease payments over the term of the lease. At inception, the Company determines if an arrangement is a lease and then classifies leases as operating or finance at commencement. The Company does not have any financing leases. Operating leases are presented as right-of-use ("ROU") assets, and the corresponding lease liabilities are included in operating lease liabilities, current and operating lease liabilities, non-current on the Company's consolidated balance sheets. ROU assets represent the Company's right to use an underlying asset, and lease liabilities represent the Company's obligation for lease payments in exchange for the ability to use the asset for the duration of the lease term.

The Company has lease agreements which contain both lease and non-lease components, which the Company accounts for separately. Non-lease components include items such as common area maintenance, operating expenses, utilities, or other costs that are subject to fluctuation from period to period. The Company does not recognize short term leases that have a term of twelve months or less as ROU assets or lease liabilities.

ROU assets and lease liabilities are recognized at commencement date and determined using the present value of the future minimum lease payments over the lease term. The Company uses an incremental borrowing rate based on estimated rate of interest for collateralized borrowing since the Company's leases do not include an implicit interest rate. The estimated incremental borrowing rate considers market data, the economic environment of the jurisdiction where the lease is located, and the lease term at commencement date. The lease term may include options to extend when it is reasonably certain that the Company will exercise that option. The Company recognizes operating lease expense on a straight-line basis over the lease term. ROU assets are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable.

Property, Plant and Equipment, Net

Property, plant and equipment are stated at cost less accumulated depreciation. Maintenance and repairs are charged to expense when incurred. Additions and improvements that extend the economic useful life of the asset are capitalized and depreciated over the remaining useful lives of the assets. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts, and any resulting gain or loss is reflected in current earnings.

Depreciation is recognized using the straight-line method in amounts considered to be sufficient to allocate the cost of the assets to operations over the estimated useful lives or lease terms, as follows:

Asset Category	Estimated Useful Life
Buildings	25 years
Plant and Machinery	3-10 years
Computer and office equipment	3-5 years
Furniture and Fixtures	5 years
Capitalized software	3-5 years
Leasehold improvements	**

** Leasehold improvements are depreciated using the straight-line method over the shorter of the estimated useful life of the asset or the term of the underlying lease.

Internal-Use Software

The Company capitalizes qualifying employee costs and third-party vendor fees for the development of software that will only be used internally. Capitalization begins once the project reaches the application development stage. Costs incurred during the preliminary project stage, as well as training costs and data conversion costs, are expensed as incurred. Amortization is generally recorded on a straight-line basis over the estimated useful lives ranging from three to five years. Capitalized internal-use software is included within property, plant, and equipment on the consolidated balance sheets.

Fair Value Measurements

In estimating fair value, the Company uses market-observable inputs to the extent they are available. In certain cases where observable market data is not available, the Company may engage third-party qualified valuation specialists to assist in determining fair value. Fair value measurements that rely on less observable or unobservable inputs require a higher degree of judgment. The valuation hierarchy is composed of three levels as described below:

Level 1 - Unadjusted, quoted prices listed on active market markets for identical assets or liabilities.

Level 2 - Direct or indirect observable market-based inputs, such as quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 - Unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities.

The level within the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement. Accordingly, the degree of judgment exercised by management is greatest for instruments categorized within Level 3 of the fair value hierarchy.

The carrying amounts of the Company's financial assets and liabilities, such as cash and cash equivalents, accounts receivable, due from related parties, and current related party loans payable approximate their fair values because of their short-term nature. The derivative liability associated with the Company's convertible note is remeasured at fair value at each reporting date and is classified as Level 3 in the fair value hierarchy (see *Note 10. Debt*).

Certain non-financial assets, such as goodwill, intangible assets, right-of-use assets, and property and equipment, are measured at fair value on a non-recurring basis and are adjusted to fair value only if an impairment charge is recognized. Such fair value measures are considered to be within the Level 3 valuation hierarchy due to the subjective nature of the unobservable inputs used. The Company has not recorded any impairment charges to non-financial assets during any of the periods presented.

Business Combinations

The Company accounts for its business combinations using the acquisition method of accounting. The purchase consideration is allocated to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the fair value of purchase consideration over the fair value of these assets acquired and liabilities assumed is recorded as goodwill. Management is required to make significant estimates and assumptions in determining fair values, especially with respect to acquired intangible assets, which include but are not limited to the selection of valuation methodologies, expected future revenue and net cash flows, expected customer attrition rates, future changes in technology, and discount rates. These estimates are inherently uncertain and, therefore, actual results may differ from the estimates made. As a result, during the measurement period of up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill as information on the facts and circumstances that existed as of the acquisition date becomes available. Upon the conclusion of the measurement period, any subsequent adjustments are recorded in the consolidated statements of operations.

Transaction-related expenses are recognized separately from business combinations and are expensed as incurred. The acquisition method also requires that acquisition-related transaction and post-acquisition restructuring costs be charged to expense as committed and requires the Company to recognize and measure certain assets and liabilities including those arising from contingencies and contingent consideration in a business combination. These costs include one-time people-related costs and amounts paid to vendors and consultants assisting with the acquisition.

During the years ended December 31, 2025, 2024 and 2023, the Company expensed transaction-related and abandoned deal costs of $304, nil and $19,288, respectively, in the consolidated statements of operations.

Transactions that do not meet the definition of a business under U.S. GAAP are accounted for as asset acquisitions. The cost of an asset acquisition is measured by the consideration given (including equity instruments issued) and transaction costs and is allocated to the identifiable assets acquired, typically on a relative fair value basis.

Convertible debt

The Company reviews the terms of convertible debt issued to determine whether there are embedded derivative instruments, including embedded conversion options, which are required to be bifurcated and accounted for separately as derivative financial instruments. In circumstances where the host instrument contains more than one embedded derivative instrument, including the conversion option that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as other income (expense) in the consolidated statements of operations. When the convertible debt instruments contain embedded derivative instruments that are to be bifurcated and accounted for as liabilities, the total proceeds received are first allocated to the fair value of all the bifurcated derivative instruments. The remaining proceeds, if any, are then allocated to the host instruments themselves, usually resulting in those instruments being recorded at a discount from their face value. The discount from the face value of the convertible debt, together with the stated interest on the instrument, is amortized over the life of the instrument through periodic charges to interest expense.

Warrants

Warrants that are indexed to the Company's own stock and meet equity classification criteria are recorded in additional paid-in capital ("APIC") at their grant-date fair value and are not remeasured subsequently. If a warrant's terms require liability classification (e.g., due to cash settlement features, price protections, or other provisions that preclude equity classification), the instrument is initially recognized at fair value as a liability and remeasured at fair value at each reporting date, with changes recognized in earnings.

Share-based Compensation

The Company grants share-based payment awards, primarily in the form of restricted stock units ("RSUs") and stock options, to employees, executives, and non-employee directors. The grant-date fair value of such awards is recognized ratably over the related vesting period. The Company's RSUs are assigned a grant date fair value equal to the fair market value of the underlying stock on the grant date less present value of expected dividends. The Company accounts for forfeitures as they occur.

Treasury stock

The Company accounts for treasury stock under the cost method.

Revenue Recognition

The Company recognizes revenue following a five-step model which prescribes the Company: (i) identify contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The Company does not have any significant financing components in their customer contracts.

Performance obligations are satisfied both at a point in time and over time. All revenues are recognized based on the satisfaction of the performance obligation to date. The Company generates revenue from the sale of the following goods and services. Revenue amounts presented exclude value-added tax and other sales taxes.

Hardware and Accessories

The Company generates most of its revenue from the sales of hardware and accessory products to a global network of distributors and resellers, who are considered the customers for these products. Revenue is recognized at a point in time when the customer obtains control of the distinct good. The specific timing of the change in control varies by customer (based on contractual agreements between the Company and the customer) and can occur either when the goods are shipped by the Company via a third-party carrier, or when the goods are made available for pick-up by the customer. Customers do not have a contractual right of return of goods, aside from standard provisions regarding defective products.

The Company provides customers with certain of its proprietary software on a no-cost basis with the purchase of its ActivPanel hardware products. The Company considers this hardware and software to be highly interdependent and highly interrelated. As a result, the Company considers the hardware and proprietary software to represent a combined performance obligation and recognizes revenue when control of the combined performance obligation has passed to the customer.

Freight Revenue

The Company may arrange for shipment of its core products by third-party logistics providers to certain customers, based on delivery location and timing requirements determined by these customers. The Company considers freight to be a separate performance obligation, as the shipping is capable of being distinct within the context of contract and provides a separate benefit to the customer above and beyond the Company's other products. This performance obligation is considered to be satisfied at a point in time, which typically occurs when the third-party logistics providers take possession of the products, as control of the goods has passed to the customer at this point in time. The Company considers itself to be the principal in freight revenue transactions.

Warranty Revenue

The Company provides a standard warranty on all of its hardware products. Depending on the jurisdiction in which the product is sold, this standard warranty is either for three years or five years. This warranty is not sold separately and does not provide any additional services beyond assuring the product complies with the agreed upon specifications and is free of defects. As such, the Company considers the standard warranty to represent an assurance type warranty which does not constitute a separate performance obligation.

In those jurisdictions where a three-year warranty is considered standard, the Company also separately sells enhanced five-year and seven-year warranties, which are considered to represent a separate performance obligation that is satisfied over the time period from the end of the term of the standard warranty to the end of the term of the enhanced warranty. In those jurisdictions where a five-year warranty is considered standard, the Company also separately sells enhanced seven-year warranties, which are considered to represent a separate performance obligation that is satisfied over the time period from the end of the term of the standard warranty to the end of the term of the enhanced warranty. The customer for enhanced warranties is the end user.

Payments received in advance of providing these enhanced warranty services are recorded in the consolidated balance sheet as contract liabilities and are recognized in the consolidated statements of operations on a straight-line basis over the period that the enhanced warranty services are provided.

Software-as-a-Service ("SaaS")

The Company offers a number of services, generally in the form of a subscription for a set time period, through the use of internally developed software and certain third-party arrangements. The Company considers SaaS offerings to be a separate performance obligation, as the service provided is capable of being distinct within the context of contract and provides a separate benefit to the customer above and beyond the Company's other products. The customer for SaaS offerings is the end user. Payments received in advance of providing the SaaS offering are recorded in the consolidated balance sheet as contract liabilities and are recognized in the consolidated statements of operations on a straight-line basis over the period that SaaS offering are provided.

The Company provides term-limited Promethean ActivSuite SaaS subscriptions with the sale of its ActivPanel 10 hardware product. The Company views these term-limited subscriptions as a separate performance obligation and, as a result, recognizes revenue based on the estimated stand-alone selling price of the service over the term of the subscription.

Future Unspecified Software Upgrade Rights

As part of the sale of certain of its hardware products, the Company provided the right for the customer to receive, on a when-and-if-available basis, future unspecified software upgrades relating to the software bundled with each such hardware device. The customer for future unspecified software upgrade rights was the end user. Because the Company lacked observable prices for the undelivered performance obligations, the allocation of revenue was based on the Company's estimated stand-alone selling prices using the cost-plus margin approach. Allocated revenue for the future unspecified software upgrade rights were recorded in the consolidated balance sheet as contract liabilities and were recognized in the consolidated statements of operations on a straight-line basis over the period that the software upgrades were provided.

In 2025, upon the launch of Active Panel 10, the Company ceased providing unspecified upgrade rights in its contracts with customers. As of December 31, 2024, all such revenue had been fully recognized, and no amounts remained recorded as contract liabilities on the consolidated balance sheet.

Training Revenue

The Company offers training services for the use of its hardware, which is considered to represent a separate performance obligation, as the services are capable of being distinct within the context of the contract and provide a separate benefit to the customer above and beyond the Company's other products. The revenue associated with this performance obligation is recognized as the training service is delivered, which generally occurs within one year of the original date of sale. The customer for training services is the end user. Payments received in advance of providing these training services are recorded in the consolidated balance sheet as contract liabilities and are recognized in the consolidated statements of operations as delivered.

Practical Expedients

In applying ASC 606, the Company elected the following practical expedients: (i) sales taxes and other similar taxes collected from customers are excluded from the transaction price; and (ii) incremental costs of obtaining a contract are expensed as incurred when the amortization period of the asset that would otherwise have been recognized is one year or less.

Significant Judgments

Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. To be distinct, the customer must be able to benefit from the service on its own or with readily available resources, and the promise to transfer the good or service must be separately identifiable from other goods and services in the contract.

When the Company enters into contracts whereby the Company will transfer cash or a credit note to a customer when a rebate has been achieved, the Company estimates the amount of consideration to which it will be entitled. When the Company enters into contracts with certain of its distributor and reseller partners where the sales price of the products or services transferred is not fixed at the time revenue is initially recognized, but is rather subsequently determined by the price at which the distributor or reseller sells the products or services to the end consumer, the Company estimates the amount of consideration to which it will be entitled. These estimates are measured at each reporting date and are made using the expected value method based on historical rebate experience and expected future sales trends on a customer-by-customer basis. For contracts involving the achievement of a rebate, the estimates are resolved when the rebate period has concluded (for example, one year for an annual volume rebate). For contracts where the sales price is not fixed at the time revenue is initially recognized, the estimates are generally resolved within 90 days of recognizing the initial revenue. Because these contracts contain elements of variable consideration, the Company only includes this variable consideration in its transaction price when there is a basis to reasonably estimate the amount of consideration to which the Company expects to ultimately be entitled, and it is probable there will not subsequently be a significant reversal of revenue previously recognized.

Provision for Warranty Costs

The Company provides customers of its hardware products with warranties to assure the product complies with agreed upon specifications and is free of defects. Refer to the *Warranty Revenue* portion of the *Revenue Recognition* section above for additional details. The Company records a liability based on its best estimate of the amounts necessary to settle future and existing claims on products sold as of the balance sheet date. Factors used in estimating the warranty liability include a history of units sold and units under warranty that have failed, average cost incurred to repair/replace units under warranty, and a profile of the distribution of warranty expenditures over the warranty period. Actual claims incurred could differ from estimates, requiring adjustments to the liabilities.

Cost of Revenue

Cost of revenue consists primarily of inventory costs, cost of delivering training services, depreciation of property, plant and equipment, freight, warehousing, and warranty costs associated with the Company’s hardware products, as well as third-party hosting and processing fees associated with online third-party sales platforms. In addition, logistic and operations employee costs, as well as an allocation of related depreciation and office space cost, are also included in cost of revenue. Finally, amortization of acquired intangible assets directly associated with the Company’s products and services is also included in cost of revenue.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and employee benefits for its employees not related to logistics and operations, research and development, and selling and marketing activities, as well as costs incurred for office space (excluding amounts allocated to cost of revenue), professional service fees, insurance costs, legal expenses, and other general overhead.

Research and Development Expenses

Research and development expenses consist primarily of salaries, employee benefits, and other compensation for employees engaged in research and development, as well as the costs for subscriptions and professional services utilized by these employees.

Sales and Marketing Expenses

Selling and marketing expenses consist primarily of salaries, employee benefits, and other compensation for employees engaged in sales and marketing activities, as well as the costs of media advertising, promotions, trade shows, and seminars.

Advertising Expense

Advertising costs are expensed as incurred. Advertising costs of $3,682, $3,711, and $7,208 for the years ended December 31, 2025, 2024, and 2023, respectively, were included in sales and marketing expenses on the consolidated statements of operations.

Other Income (Expense)

Other income (expense) consists primarily of interest expense, interest income, gain on embedded derivative, and other income (expense), which includes foreign currency transaction adjustments.

Restructuring and Other Expenses

The Company records costs to exit or restructure certain activities of existing operations or operations of a recently acquired company are accounted for as termination and exit costs pursuant to ASC 420, *Exit or Disposal Cost Obligations*. A liability for costs associated with an exit or disposal activity is recognized and measured at its fair value in the consolidated statements of operations in the period in which the liability is incurred. Other costs associated with restructuring programs, such as lease-related impairment charges, are recognized in accordance with other relevant U.S. GAAP guidance.

	December 31,		
	2025	2024	2023
Severance costs	$ 6,375	$ 3,484	$ 4,527
Office closures and other costs [1]	448	—	—
Write-off of prepaid subscriptions [2]	—	—	5,668
Restructuring and other expenses	$ 6,823	$ 3,484	$ 10,195

[1] Includes office-closure related costs and a non-cash impairment charge related to the sublease of the Company's Seattle office lease. Refer to *Note 9. Leases* for additional information.

[2] Represents the write-off of prepaid subscriptions pursuant to a distribution and master services agreement, as these prepaid subscriptions were deemed not recoverable through future sales activity.

The Company had $293, $547, and nil in accrued severance costs for the years ended December 31, 2025, 2024, and 2023, respectively.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred income taxes are recognized for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, net of operating loss carry forwards and credits, by applying enacted tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when the Company determines it is more likely than not that some portion or all deferred tax assets in a given jurisdiction will not be realized. Current income taxes are provided for in accordance with the laws and regulations applicable to the Company as enacted by the relevant tax authorities.

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authorities. An uncertain income tax position will not be recognized if it has less than 50% likelihood of being sustained. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes.

The Company does not provide for income taxes on its undistributed earnings of its foreign subsidiaries since such earnings are considered to be indefinitely reinvested or may be remitted tax-free. It is not practicable to estimate the amount of deferred tax liability related to these investments. Carryforward attributes that were generated in tax years prior to those that remain open for examination may still be adjusted by relevant tax authorities upon examination if they either have been, or will be, used in a future period.

Functional Currency

The Company considers the U.S. dollar to be its functional currency, as it is the currency of the primary economic environment in which the Company operates.

The local currency is the functional currency for all foreign entities, other than a small number of intermediate holding companies which have USD as the functional currency. Assets and liabilities of these foreign operations are translated into U.S. Dollars at the exchange rate in effect at the end of each period. Statement of operations activity is translated at the average exchange rate prevailing during the period. Translation adjustments arising from the use of differing exchange rates from period to period are included as a component of other comprehensive income (loss).

Segment Reporting

The Company determines its reportable segments in accordance with ASC 280, *Segment Reporting*. The Company determines its reportable segments by first identifying its operating segments. An operating segment is a component of the Company that (a) engages in business activities from which it may recognize revenue and incur expenses, (b) its operating results are regularly reviewed by the chief operating decision maker (“CODM”) in making decisions about resources to be allocated to the segment and assessing its performance, and (c) its discrete financial information is available. The Company's CODM has been identified as its Chief Executive Officer.

Income or Loss Per Share

Basic income or loss per share is computed by dividing net income from continuing operations available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share gives effect to all dilutive potential of shares of common stock outstanding during the period using the treasury stock method (by using the average stock price for the period to determine the number of shares assumed to be purchased from the exercise of RSUs), and convertible debt, using the if-converted method. Earnings per share excludes all potential dilutive shares of common stock if their effect is anti-dilutive. An anti-dilutive impact is an increase in earnings per share or a reduction in net loss per share resulting from the conversion or exercise of certain securities. The Company uses loss from continuing operations as the “control number” or benchmark to determine whether potential common shares are dilutive or anti-dilutive.

Recently Adopted Accounting Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhanced the required annual disclosures related to the effective income tax rate reconciliation and to income taxes paid by requiring greater disaggregation and a more prescriptive presentation. We adopted this guidance on a retrospective basis for the annual period ending December 31, 2025. While the adoption of this guidance has resulted in additional disclosures related to income taxes, it did not have a material impact on our consolidated financial statements. Refer to *Note 13. Income Taxes* for additional information related to our income tax disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses* (“ASU 2024-03”). ASU 2024-03 will require more detailed information about the types of expenses in commonly presented income statement captions such as “Cost of revenue” and “Selling, general and administrative expenses”. In January 2025, the FASB issued ASU No. 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures* (Subtopic 220-40) to clarify the effective date of ASU 2024-03. The new guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027 with early adoption permitted. The Company is currently evaluating the impact that this change will have on its consolidated financial statements and disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"). ASU 2025-05 simplifies the application of the Current Expected Credit Loss (“CECL”) model for short-term assets. The update provides a practical expedient allowing entities to assume that current economic conditions at the balance sheet date will remain constant over the remaining short life of accounts receivable and contract assets, rather than requiring complex macroeconomic forecasting. The new guidance is effective for annual reporting periods beginning after December 15, 2025. The Company anticipates that adopting this accounting pronouncement will not have a material impact on its consolidated financial statements and disclosures.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"). ASU 2025-06 will improve the operability of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods, including methods that entities may use to develop software in the future. The new guidance is effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods with early adoption permitted. The Company is currently evaluating the impact that this change will have on its consolidated financial statements and disclosures.

In December 2025, the FASB also issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* ("ASU 2025-11"). ASU 2025-11 update results in a comprehensive list of interim disclosures and includes a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The new guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact that this change will have on its consolidated financial statements and disclosures.

Note 3. Acquisition and Disposition

Merlyn Mind Asset Acquisition

On September 9, 2025, the Company acquired certain intellectual property relating to an artificial intelligence ("AI") voice and remote control technology from Merlyn Mind, Inc., including software, patents, and related know-how. The transaction was accounted for as an asset acquisition. Total consideration was $212 based on the fair value of an equity-classified warrant issued to the seller. The amount was allocated to a single acquired intangible asset, included in patent and developed technology within Intangible assets, net on the consolidated balance sheets, and is being amortized over an estimated three-year useful life. Refer to *Note 14. Shareholders' Equity (Deficit)* for additional details related to the warrant.

Disposition of GEH Singapore

On October 2, 2024, the Company completed the sale (the "Disposition") of all of the Company's holdings of capital stock in GEH Singapore, constituting 85% of the total equity ownership of GEH Singapore prior to the Disposition, for cash consideration of $20,000, pursuant to the terms of a written agreement dated October 1, 2024 between the Company and an entity controlled by the former minority owner of GEH Singapore prior to the Disposition. Prior to the Disposition, GEH Singapore was considered one of the Company's two reportable segments and was composed of Singapore-based kindergarten and student care services.

In applying FASB ASC 205-20 *Presentation of Financial Statements - Discontinued Operations* ("ASC 250") and ASC 360 *Property, Plant, and Equipment* ("ASC 360"), the Company determined this sale represented a strategic shift with a major effect on the Company's operations and financial results, and as a result, the GEH Singapore segment has been presented as discontinued operations and excluded from both continuing operations and segment results for all periods presented. The results of GEH Singapore, including the gain on disposition, were instead presented as discontinued operations in the consolidated statements of operations for the years ended December 31, 2024 and 2023. The cash flows from the GEH Singapore segment were presented as cash flows from discontinued operations within the consolidated statements of cash flows for the year ended December 31, 2024 and 2023. The Company has not historically allocated any general corporate overhead to the GEH Singapore segment. Refer to *Note 20. Discontinued Operations* for additional details.

The following table details the net assets that were transferred as a part of this 2024 disposition.

Cash and cash equivalents	$	5,546
Accounts receivable, net		515
Prepaid expenses and other current assets		741
Amounts due from related parties		747
Inventories		158
Operating lease right-of-use assets		7,050
Property and equipment, net		4,751
Other non-current assets		2,215
Intangible assets		7,002
Goodwill		1,447
Total Assets		30,172
Due to related parties		(3)
Accounts payable		(328)
Accrued expenses and other current liabilities		(3,611)
Operating lease liabilities - current		(3,607)
Operating lease liabilities - non-current		(3,480)
Contract liabilities - current		(645)
Other non-current liabilities		(3,960)
Deferred tax liability		(1,271)
Total Liabilities		(16,905)
Net assets sold	$	13,267

During 2024, the Company recognized a gain of $9,255 on the disposition, which was included in Income (loss) from discontinued operations, net of tax in the consolidated statements of operations. The following table summarizes the computation of the gain realized from the disposition:

Cash received	$	20,000
Net assets sold		(13,267)
Non-controlling interest		1,956
Other comprehensive income		566
Gain on disposition	$	9,255

Note 4. Revenue Recognition

Revenue

Sales of hardware and accessories as well as revenue from coordination of freight for our customers is recognized at a point in time. Services include enhanced warranty and training revenue and are recognized over time. Revenue from SaaS and revenue from future software upgrade rights are also recognized over time.

The following table presents the Company’s revenue disaggregated based on the revenue source and the timing of revenue recognition:

	Year Ended December 31,		
	2025	2024	2023
Revenue from hardware, proprietary embedded firmware and accessories	$ 155,873	$ 245,585	$ 394,667
Revenue from services	7,434	7,391	8,991
Revenue from SaaS	4,624	4,768	5,379
Revenue from software upgrade rights	—	9,637	2,720
Total revenue	$ 167,931	$ 267,381	$ 411,757

Revenue disaggregation

The following table presents the Company’s revenue disaggregated based on geographic location of customers:

	Year Ended December 31,		
	2025	2024	2023
United States	$ 107,546	$ 179,810	$ 292,584
Rest of World [1]	60,385	87,571	119,173
Total revenue	$ 167,931	$ 267,381	$ 411,757

[1] For the year ended December 31, 2025, no individual foreign country exceeded 10% of total revenue in the Company's consolidated statements of operations. For the years ended December 31, 2024 and 2023, revenue from Germany of $35,137 and $46,152, respectively, exceeded 10% of total revenue.

Contract liabilities

	December 31,	
	2025	2024
Deferred revenue: enhanced warranties	$ 18,617	$ 21,090
Deferred revenue: SaaS	8,989	6,078
Deferred revenue: other services	2,637	2,694
Total contract liabilities	$ 30,243	$ 29,862

The contract liabilities listed above represent deferred revenue associated with sales of enhanced warranties, SaaS, and services such as training revenue. The deferred revenue amounts included as contract liabilities represent the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially satisfied) as of each balance sheet date. These performance obligations are expected to be satisfied as follows:

	Enhanced warranties	SaaS services	Other services
2026	$ 6,008	$ 3,627	$ 2,637
2027	4,911	1,789	—
2028	3,897	1,413	—
2029	2,421	1,114	—
2030	960	924	—
Thereafter	420	122	—
Total contract liabilities	$ 18,617	$ 8,989	$ 2,637

During the years ended December 31, 2025, 2024, and 2023, the Company recognized $11,281, $14,004, and $10,148, respectively, in revenue that was included in contract liabilities as of January 1, 2025, 2024 and 2023, respectively.

The Company did not have any contract assets as of or for the years ended December 31, 2025 and 2024.

Note 5. Segment and Entity-wide Disclosures

Segment reporting

For all periods presented in these consolidated financial statements, the Company and the Company’s Chief Operating Decision Maker ("CODM"), which remains its Chief Executive Officer, review the Company’s operations and manage its business as a single operating segment and reporting segment. The financial information provided to the CODM is presented in the same level of detail as the consolidated balance sheet and consolidated statement of operations included in these consolidated financial statements.

The CODM uses net income to assess performance and make decisions regarding resource allocation for the Company.

Entity-wide disclosures

The table below reflects the Company's geographic distribution of property, plant, and equipment, net and ROU assets, net as of the following balance sheet dates:

	December 31,	
	2025	2024
United Kingdom	$ 10,832	$ 13,652
United States	2,175	3,113
Rest of World	833	1,278
Total	$ 13,840	$ 18,043

Note 6. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	December 31,	
	2025	2024
Current tax assets	$ 2,925	$ 4,583
Prepaid expenses	1,862	3,395
Others	3,184	3,623
Prepaid expenses and other current assets	$ 7,971	$ 11,601

Note 7. Goodwill and Intangible Assets

Goodwill and Indefinite-Lived Intangible Assets

The following table presents the changes in the gross carrying amount of goodwill and other indefinite lived intangible assets for the periods presented:

	Goodwill	Tradename
Balance, December 31, 2023	$ 46,924	$ 35,997
Measurement period adjustments	(1,228)	—
Foreign currency adjustments	(119)	—
Disposition of GEH Singapore	(1,447)	—
Balance, December 31, 2024	44,130	35,997
Foreign currency adjustments	831	—
Balance, December 31, 2025	$ 44,961	$ 35,997

As of December 31, 2025, the Company’s reporting unit had a negative carrying value. Goodwill of $44,961 was allocated to this reporting unit, which is included in the Company’s single reportable segment. The Company performed its annual goodwill impairment test as of December 31, 2025, and no impairment was recognized, as the reporting unit’s estimated fair value exceeded its carrying amount. Refer to the *Impairment Assessment* section below for additional details.

Finite-Lived Intangible Assets

The components of finite-lived intangible assets are as follows:

	December 31, 2025			
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (Years)
Patent and developed technology	$ 37,515	$ (37,327)	$ 188	2.67

	December 31, 2024			
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (Years)
Customer relationships	$ 10,514	$ (10,514)	$ —	0.00
Patent and developed technology	37,312	(33,980)	3,332	0.84
Tradename	570	(394)	176	0.92
Non-compete agreements	54	(38)	16	0.92
Finite-lived intangible assets	$ 48,450	$ (44,926)	$ 3,524	0.84

During the years ended December 31, 2025, 2024 and 2023, intangible assets amortization expense of $3,537, $4,166 and $4,223, respectively, related to continuing operations was included in cost of revenue on the Company's consolidated statements of operations.

During the year ended December 31, 2025, the Company's finite-lived tradename and non-compete agreements became fully amortized and were written off. The following table outlines the estimated future amortization expense related to the remaining finite-lived intangible assets:

For The Year Ending December 31,	
2026	$ 71
2027	71
2028	46
Total	$ 188

Impairment Assessment

The observed downward trend, relative to recent prior years, in education technology customer demand throughout all of the key markets in which the Company operates, together with other adverse conditions, led the Company to conclude that a triggering event had occurred as of December 31, 2025. As a result, the Company evaluated its finite-lived long-lived assets for recoverability and performed quantitative impairment assessments of its goodwill and indefinite-lived intangible asset. The Company performed the following analyses:

(i) A recoverability test to compare the sum of the undiscounted cash flows expected to be generated from the use of the finite-lived long-lived asset group to its carrying amount. Based on this analysis, the Company concluded that the undiscounted cash flows exceeded the carrying amount of the asset group, and therefore the finite-lived long-lived assets were recoverable as of December 31, 2025.

(ii) A quantitative impairment analysis to estimate the fair value of its reporting unit using the income approach. The results of this analysis indicated that the estimated fair value of the reporting unit exceeds its carrying amount and therefore goodwill was not impaired as of December 31, 2025.

(iii) A quantitative impairment analysis of its indefinite-lived intangible asset as of December 31, 2025 using the relief-from-royalty method. Based on this analysis, the Company concluded that the estimated fair value exceeded the carrying amount, and therefore the indefinite-lived intangible assets was not impaired.

The Company's estimate of the fair value of its intangible assets is based on assumptions and estimates, including future forecasted revenues, that are subject to change. Due to unfavorable market conditions, the excess of estimated fair value over carrying amount has decreased as of December 31, 2025 and no longer substantially exceeds its carrying amount. Accordingly, relatively minor adverse changes in key assumptions could result in an impairment charge in future periods.

Note 8. Property, Plant, and Equipment, net

Property, plant and equipment, net consist of the following:

	December 31,	
	2025	2024
Buildings	$ 245	$ 338
Plant and machinery	523	2,213
Leasehold improvements	285	285
Computer and office equipment	13,139	16,896
Furniture and fixtures	1,451	1,696
Internal use software	15,259	11,311
Construction and software development in progress	1,256	2,853
	32,158	35,592
Less: Accumulated depreciation	(20,391)	(20,997)
Property, plant and equipment, net	$ 11,767	$ 14,595

During the years ended December 31, 2025, 2024, and 2023, the Company recorded depreciation expense in the Company's consolidated statements of operations as follows:

	December 31,		
	2025	2024	2023
Depreciation expense included in:			
Cost of revenue	$ 4,979	$ 943	$ 160
General and administrative	146	153	147
Research and development	126	198	199
Sales and marketing	207	238	244
Depreciation expense included within continuing operations	$ 5,458	$ 1,532	$ 750

Note 9. Leases

The Company currently maintains lease arrangements for corporate office space and vehicles. The Company's leases generally have initial terms ranging from one to seven years and may include renewal options and rent escalation clauses. The Company is typically required to make fixed minimum rent payments relating to its right to use an underlying leased asset.

The table below presents certain information related to the Company's lease costs:

	For the Year Ended December 31,		
	2025	2024	2023
Operating lease expense	$ 1,509	$ 1,737	$ 1,958
Short-term lease expense	230	611	340
Total lease expense	$ 1,739	$ 2,348	$ 2,298

The Company has no financing leases. All the right-of-use assets and lease liabilities recorded in the consolidated balance sheets relate to operating leases. The weighted-average remaining lease term for operating leases was 2.15 years and the weighted-average incremental borrowing rate was 7.72%.

In December 2025, the Company executed a sublease of its Seattle office that commences February 1, 2026 and expires August 31, 2028. The Company remains the lessee under the related head lease. The Company will begin recognizing sublease income on a straight-line basis over the sublease term beginning at commencement. In connection with the execution of the sublease and the related change in the expected economic use of the space, the Company evaluated the associated ROU asset for impairment and recorded a non-cash impairment charge of $216 included within operating expenses during the year ended December 31, 2025. Undiscounted future sublease receipts at December 31, 2025 totaled approximately $300.

As of December 31, 2025, future minimum lease payments required under operating leases are as follows:

For the Year Ended December 31,	
2026	$ 1,186
2027	803
2028	610
2029	438
2030	111
Thereafter	—
Total minimum lease payments	3,148
Less: effects of discounting	(386)
Present value of future minimum lease payments	$ 2,762

Note 10. Debt

Debt outstanding consists of the following:

	December 31,	
	2025	2024
Revolver	$ 3,000	$ 11,000
Paycheck Protection Program Loan	—	82
Less: revolver issuance costs	(103)	(151)
Loans payable, current	2,897	10,931
Convertible Note [1]	61,008	55,239
Embedded derivative [2]	142	2,919
Less: issuance costs on convertible debt	(67)	(81)
Loans payable, non-current	61,083	58,077
Loans payable, related parties, non-current [3]	—	5,006
Total loans payable, current and non-current	$ 63,980	$ 74,014

[1] The Convertible Note balance is comprised of the following:

	December 31,	
	2025	2024
Initial measurement which represents the gross proceeds received less fair value of the embedded derivative	$ 50,260	$ 50,260
PIK notes issued	6,767	3,309
Accrued PIK interest	167	159
Accretion of discount on issuance	3,814	1,511
Convertible Note	$ 61,008	$ 55,239

[2] Represents the embedded derivative included within the Convertible Note that is bifurcated and stated at fair value as of December 31, 2025 and 2024.

[3] The loans payable, related parties, non-current are discussed in detail above in *Note 17. Related Party Transactions*

Revolver

The Company maintains a secured revolving line of credit ("Revolver") for borrowings up to $50,000 through January 19, 2028. Interest on the Revolver accrues at the choice of rate of (a) the Prime Rate as announced by Bank of America, (b) the Federal Funds Rate plus 0.50%, or (c) Secured Overnight Financing Rate ("SOFR") for a fixed term of 30, 90, or 180 days (at the election of the Company), plus an Applicable Margin. The Applicable Margin varies between 0.90% and 2.30% and depends on the Company's Fixed Charge Coverage Ratio and the type of rate chosen. Interest accrued on draws on the line using the SOFR rate is calculated on a daily basis, but is only charged to the line of credit at the end of the 30, 90, or 180 day fixed term period elected by the Company.

Borrowings under the Revolver are collateralized by the Company's eligible trade receivables globally and eligible inventories in the U.S. and the Netherlands. Eligibility is determined by Bank of America and is based on the country of origin for the Company's trade receivables and the type and nature of the Company's inventory in the U.S. and the Netherlands. As of December 31, 2025 and 2024, the Company had unused borrowing capacity of $12,449 and $8,608 respectively, based on the borrowing base calculation as of the respective dates.

Mynd.ai, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

The Revolver loan agreement includes a number of affirmative and negative covenants. As of December 31, 2025, the Company was in material compliance with all such covenants. The carrying value of the Revolver approximates fair value because it bears variable interest that resets frequently to market indices.

As of December 31, 2025 and 2024, the outstanding balance on the Revolver was $3,000 and $11,000, respectively. The outstanding balance at December 31, 2025, incurred interest at an annual rate of 6.17%. Subsequent to December 31, 2025, the Company entered into an agreement with Bank of America to terminate the Revolver. In connection with the termination, the Company repaid all amounts outstanding under the Revolver, including principal and accrued interest. As of the date of issuance of these consolidated financial statements, the Company has made repayments totaling $4,608.

Convertible Note

In December 2023, the Company issued a senior secured convertible note, in the principal amount of $65,000 (the “Convertible Note”) with a stated maturity of December 13, 2028. The Convertible Note bears (i) cash interest at the rate of 5.00% per annum and (ii) paid-in-kind interest ("PIK") at the rate of 5.00% per annum, payable by issuing additional notes. References herein to "Notes" reference the Convertible Note together with any additional Notes issued as PIK interest. Both the cash interest and PIK interest are payable semiannually on June 15 and December 13 of each year. During the year ended December 31, 2025, cash interest of $3,458 was paid. PIK interest is payable by issuing additional notes in an amount equal to the applicable amount of PIK interest for the interest period. During 2025 and 2024, the Company issued additional Notes in the aggregate amount of $3,458 and $3,309, respectively, representing PIK interest. The Company has capitalized a total of $116 of debt issuance costs related to the Convertible Note.

The Convertible Notes are senior secured obligations of the Issuer and mature on December 13, 2028, unless earlier redeemed, repurchased or converted. The current conversion rate is $1.214 per share. The Notes are convertible at the option of the Holder at any time until the outstanding principal amount (including any accrued and unpaid interest) has been paid in full. Subject to the terms of Notes, the Holder may elect to receive the Company's American Depositary Shares (the “ADS”) in lieu of the Company’s ordinary shares, par value $0.001 per share, (the “Ordinary Shares”), upon conversion of the Notes.

The Convertible Note contains certain representations, warranties, events of default, and negative covenants that limit, without the consent of the holder(s) of the Convertible Note, the Company’s ability, among other things, to incur additional indebtedness, sell or acquire assets, undertake capital expenditures, and enter into certain transactions with third parties. As of December 31, 2025 and 2024, the Company believes it was in material compliance with all Convertible Note covenants.

Certain features of the Convertible Note, including the conversion option, redemption at the holder's election upon occurrence of Fundamental Change events as specified in the Notes, and acceleration of amounts due under the Convertible Note upon an event of default require, bifurcation and separate accounting as a single embedded derivative (the “Embedded Derivative”) from the Convertible Note pursuant to ASC 815, *Derivatives and Hedging* ("ASC 815"). The Embedded Derivative is measured at fair value utilizing Level 3 inputs under the fair value measurement hierarchy (refer to *Note 2. Summary of Significant Accounting Policies* for additional details) on the date of issuance and at the end of each reporting period.

As of December 31, 2025 and 2024, the Embedded Derivative is included in non-current loans payable in the consolidated balance sheets. The discount on the Convertible Note of $14,740 resulting from the initial fair value of the embedded derivative is amortized to interest expense using the effective interest method and changes in the fair value of the embedded derivative are recorded as other (income) expense in the consolidated statements of operations.

During the years ended December 31, 2025 and 2024, the Company recognized a gain on remeasurement of the Embedded Derivative of $2,777 and $11,389, respectively, in the consolidated statements of operations, calculated as the change in the fair value of the Embedded Derivative as of the end of the respective periods.

The Company measures the fair value of the Embedded Derivative using a Monte Carlo simulation in which the fair value of the Convertible Note is calculated on a with-and-without basis to isolate the value attributable to the conversion feature. Redemption cash flows are discounted using a credit-risk-adjusted rate, and as-converted equity values are discounted using the risk-free rate. Key valuation inputs for the Level 3 embedded derivative include:

	December 31, 2025	December 31, 2024	Relationship of Significant Unobservable Input to Fair Value
Fair value of the Convertible Note	$ 54,565	$ 48,120	
Fair value of the Embedded Derivative	$ 142	$ 2,919	
ADS price	$ 0.44	$ 2.00	Increase in share price will increase the value of the derivative
Term (years)	2.95	3.95	Decrease in term will decrease the value of the derivative
Expected volatility	85.0 %	68.0 %	Increase in expected volatility will increase the value of the derivative
Risk-free rate	3.5 %	4.3 %	Increase in risk-free rate will increase the value of the derivative
Credit risk adjusted rate	20.0 %	20.0 %	Increase in credit risk adjusted rate will increase the value of the derivative

The following table summarizes the future debt maturities for the Revolver and the Convertible Note:

Fiscal Years Ending December 31,	Amount of Debt
2026 [1]	$ 4,520
2027	—
2028 [2]	71,934
Total	$ 76,454

[1] The Company has repaid the outstanding balance of the Revolver during the first half of 2026, which included $3,000 of principal and $1,520 of accrued interest. The Company has historically classified the Revolver as a current liability on its consolidated balance sheets due to its intent and practice of using the Revolver for short-term financing needs.

[2] Debt maturing in 2028 includes the Convertible Note with a maturity value of $65,000, additional PIK notes of $6,767 issued in 2024 and 2025, and accrued PIK interest of $167 at December 31, 2025.

Paycheck Protection Program

In May 2020, the Company entered into a $5,396 loan agreement under the Paycheck Protection Program (the "PPP") with a 1% interest rate, which is administered by the U.S. Small Business Administration (the "SBA"). On October 18, 2022, the Company qualified for partial loan forgiveness from the SBA and $4,923 of the loan was forgiven. The PPP loan was fully repaid by the end of May 2025. During the years ended December 31, 2025 and 2024, the Company repaid $83 and $196, respectively, of the PPP loan.

Note 11. Commitments and Contingencies

Warranty

Changes in accrued warranty liabilities during the indicated periods are as follows:

	For the Year Ended December 31,		
	2025	2024	2023
Beginning balance	$ 15,749	$ 17,871	$ 13,550
Provision	7,579	7,805	9,750
Utilized	(7,654)	(9,835)	(6,065)
Foreign currency adjustment	244	(92)	636
Ending balance	$ 15,918	$ 15,749	$ 17,871

The provision amount in the table above represents adjustments recorded for estimated future costs related to units under warranty as of each balance sheet date, including both accruals for warranties issued during the year and changes in the provision for accruals related to previously issued warranties. The provision reflects the most current information available to the Company regarding key inputs into the estimated provision, including product failure rates and costs necessary to provide the warranty services.

Included in the 2024 provision amount is a reduction of $2,489 as a result of lower estimated future costs due to continued low failure rates on our ActivPanel 9 and our ActivPanel LX models. There was a comparable adjustment of $156 in 2025.

In addition to the amount utilized as warranty expense presented in the table above, during the year ended December 31, 2023, the Company also incurred an additional $5,052 of transportation, warehousing, and repair costs associated with increasing stock of refurbished inventory in response to the timing of warranty claims related to post pandemic sales. There was not a comparable level of activity and related costs incurred during the years ended December 31, 2025 and 2024.

Litigation

The Company may be subject to various legal proceedings and claims of which the outcomes are subject to significant uncertainty. The Company’s policy is to assess the likelihood of any adverse judgments or outcomes related to legal matters, as well as ranges of probable losses. A determination of the amount of the liability required, if any, for these contingencies is made after an analysis of each known event. A liability would be recognized and charged to operating expense when the Company determines that a loss is probable, and the amount is reasonably estimable. Additionally, the Company will disclose of contingencies for which a material loss contingency is reasonably possible but not probable or when a material loss contingency is probable but not reasonable estimable.

Edmodo, LLC ("Edmodo") was originally acquired by NetDragon, a related party of the Company, in 2018. Effective January 1, 2022, NetDragon transferred ownership of Edmodo to Promethean, and converted Edmodo to a limited liability company via a common control transaction. The Company subsequently filed to dissolve Edmodo in the State of Delaware, effective June 3, 2024. The Company received formal confirmation of the dissolution in November 2024.

On October 9, 2024, Edmodo received an initial notice of civil monetary penalty ("Initial Notice") in the amount of $14,625 on the basis of alleged misstatements made by Edmodo during the initial Committee on Foreign Investment in the U.S. ("CFIUS") investigation of NetDragon's original acquisition of Edmodo and on the basis of violations of provisions of the National Security Agreement entered into on May 3, 2021 ("NSA"), which CFIUS alleges represent material violations of the NSA. Following receipt of the Initial Notice, Edmodo (through external counsel) submitted a timely response to the Initial Notice with a Petition for Reconsideration. CFIUS issued a Final Penalty Notice ("Final Notice") on January 14, 2025, for the same amount of civil monetary penalty. Payment of this penalty was due 45 calendar days following the date of the Final Notice. Since Edmodo was dissolved, no payment was made and CFIUS may refer the matter to the Department of Justice ("DOJ") for the DOJ to file an action in Federal District Court to collect the penalty plus interest, additional penalties, and handling and processing fees.

In March 2025, CFIUS requested that Promethean respond to a set of document requests so that CFIUS could prepare for and assess possible next steps related to efforts to recover the previously assessed civil monetary penalty. Promethean responded to the document requests on April 29, 2025. Since the submission of the responses, there has been no further communication from CFIUS as of the date these consolidated financial statements have been issued.

If an action is filed by the DOJ, such action will be vigorously defended on the basis that Edmodo was properly dissolved and that there are no likely or reasonable circumstances which warrant the nullification of Edmodo’s certificate of cancellation and thus no penalty can be assessed against a dissolved entity. Additionally, if necessary, arguments will be made that Promethean is not a successor entity to Edmodo and that Promethean should not be responsible for payment of the penalty. The Company cannot predict if or when the DOJ may decide to file an action to collect the penalty (there is no statute of limitations) or predict with any degree of certainty the outcome of such an action should the DOJ bring one. At this time, the Company is unable to estimate the likelihood of a negative outcome or the potential loss or range of loss associated with this matter.

In addition to the NSA mentioned above, the Company, along with its Promethean World Limited subsidiary and Promethean Inc. subsidiary, are parties to a second NSA with CFIUS, which generally restricts Promethean from disclosing, transferring, or providing access to Protected Data (as defined in the NSA, including certain U.S.-based personally identifiable information) to NetDragon, the Company (with the exception of certain Promethean personnel who are also Company personnel), or persons in China. To date, the Company has self-reported one or more instances that could give rise to violations of the NSA. While CFIUS has not imposed penalties for the reported instances, it has the authority to do so if it deems the instances to represent material violations of the NSA, with potential fines of up to $250 per material violation or the value of the related transaction, whichever is greater, with the ultimate amount of the penalty imposed being based on the nature of the violations and as determined by CFIUS. Accordingly, the Company accrued an immaterial amount as of December 31, 2024, which represents the Company's estimate of its potential liability exposure for these violations, based on the information available to the Company at this time.

The Company has not identified any potential new violations of the NSA in 2025. Accordingly, no additional amounts have been accrued, and the accrued balance remains unchanged from December 31, 2024.

During 2025, the Company paid tariffs imposed under Executive Orders that invoked the International Emergency Economic Powers Act (“IEEPA”) on certain imported goods. On December 29, 2025, the Company filed an action in the U.S. Court of International Trade (“CIT”) under 28 U.S.C. §1581(i) seeking a declaration that such IEEPA tariffs are unlawful and a refund of tariffs paid to date. On December 23, 2025, the CIT entered Administrative Order 25-02 staying new IEEPA tariff cases pending a U.S. Supreme Court’s decision. On February 20, 2026, the U.S. Supreme Court held that IEEPA does not authorize the President to impose tariffs. The Court’s opinion did not prescribe the mechanism or timing for refunds, and post-decision agency implementation steps and refund procedures remain subject to executive branch actions and further proceedings. The Company is evaluating implications for its CIT action and refund rights in light of the decision and will pursue appropriate remedies as guidance becomes available. As of the date these consolidated financial statements were issued, the amount and timing of any refund, if any, cannot be estimated.

Other than potentially those matters described above, as of December 31, 2025, and through the issuance of these consolidated financial statements, the Company does not believe the resolution of any legal proceedings or claims of which it is aware or any potential actions will have a material effect on its financial position, results of operations or cash flows.

Note 12. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31,	
	2025	2024
Accrued payroll [(1)]	$ 9,026	$ 12,243
Deferred research and development credits [(2)]	5,771	7,224
Rebates and customer advances	678	628
Interest payable	1,887	678
Accrued duty, freight and related expenses [(3)]	12,343	16,459
Royalties	914	1,594
Value added tax payables	23	196
Other accrued expenses and liabilities	4,194	6,937
Accrued expenses and other current liabilities	$ 34,836	$ 45,959

[(1)] As of December 31, 2024, Accrued payroll included $5,919 and other accrued expenses and liabilities included 1,433 of one-time retention payment to certain officers, directors and employees of the Company. These amounts were paid in cash in January 2025.

[(2)] Deferred research and development credits represent future offsets to research and development expense in the consolidated statements of operations. These credits were generated through the Company's participation in the U.K. Research and Development Expenditure Credit ("RDEC") program.

[(3)] As of December 31, 2025, accrued duty, freight and related expenses included $580 in purchase commitments to certain of our inventory suppliers. The expectation is that the remaining amount will be settled within the next twelve months. As of December 31, 2024, accrued duty, freight and related expenses included $4,168 in purchase commitments to certain of our inventory suppliers.

Note 13. Income Taxes

The loss from continuing operations before income taxes consists of the following:

	For the Year Ended December 31,		
	2025	2024	2023
United Kingdom	$ (17,847)	$ (11,430)	$ 6,139
United States	(30,178)	(31,943)	(30,343)
Foreign	(6,430)	7,628	(24,244)
Total pre-tax loss	$ (54,455)	$ (35,745)	$ (48,448)

The provision for income taxes consists of the following:

	For the Year Ended December 31,		
	2025	2024	2023
Current expense:			
United Kingdom	$ —	$ 101	$ 513
United States	7	85	541
Foreign	416	877	116
Total current expense	423	1,063	1,170
Deferred benefit:			
United Kingdom	—	25,436	175
United States	—	43,017	(10,170)
Foreign	(807)	(784)	(833)
Total deferred expense	(807)	67,669	(10,828)
Total provision for income taxes	$ (384)	$ 68,732	$ (9,658)

The Company's subsidiaries incorporated in the United Kingdom were subject to the U.K. corporation tax rate at 25.0%, 25.0%, and 23.5% for the years ended December 31, 2025, 2024 and 2023, respectively. The Company's subsidiaries incorporated in other jurisdictions were subject to income tax charges calculated according to the tax laws enacted or substantially enacted in the countries where they operate and generate income.

A reconciliation of the income tax benefit calculated using the applicable federal statutory rate to the Company's actual income tax expense is as follows:

	For the Year Ended December 31,					
	2025		2024		2023	
Tax benefit at United Kingdom statutory rate[1]	$ (13,613)	25.0 %	$ (6,754)	18.9 %	$ (11,655)	24.1 %
United States Operations						
Nondeductible expenses	1,433	(2.6)%	752	(2.1)%	48	(0.1)%
Change in valuation allowance	6,190	(11.4)%	50,935	(142.5)%	—	— %
Other	(163)	0.3 %	(1,659)	4.6 %	(2,025)	4.2 %
Cayman Islands Operations						
Statutory tax rate differential	1,411	(2.6)%	(3,762)	10.5 %	2,807	(5.8)%
Other foreign jurisdictions	(602)	1.1 %	925	(2.6)%	(4)	— %
Change in valuation allowance	5,502	(10.1)%	28,399	(79.5)%	—	— %
Nontaxable income	(1,750)	3.2 %	(1,273)	3.6 %	(45)	0.1 %
Other	1,208	(2.2)%	1,169	(3.3)%	1,216	(2.5)%
	$ (384)	0.7 %	$ 68,732	(192.3)%	$ (9,658)	19.9 %

[1] U.K. statutory tax rate of 25.0%, 25.0%, and 23.5% for the years ended December 31, 2025, 2024, and 2023, respectively. The U.K. statutory tax rate is used rather than the U.S. tax rate because a UK holding company is the parent company of all the Promethean operating companies. In the table above, tax rates for 2024 and 2023 differ from U.K. statutory tax rates due to the impact of discontinued operations in those years (refer to *Note 20. Discontinued Operations* for additional details).

Deferred income taxes are recognized for the future tax consequences of temporary differences between the financial statement and tax bases of assets and liabilities. Significant components of the Company's net deferred tax assets and liabilities are as follows:

	For the Year Ended December 31,	
	2025	**2024**
Deferred tax assets:		
Accrued expense	$ 6,799	$ 7,746
Deferred revenue	4,299	4,015
Inventories	369	196
Intangible assets	1,466	1,806
Fixed assets	876	982
R&D costs	6,270	8,171
Losses and credit carryforwards	68,599	58,565
Share-based compensation	356	431
Other	3,176	1,652
Total deferred tax assets before valuation allowance	92,210	83,564
Less: valuation allowance	(87,419)	(80,054)
Total deferred tax assets	4,791	3,510
Deferred tax liability:		
Intangible assets	(13,420)	(12,828)
Other	(284)	(404)
Total deferred tax liabilities	(13,704)	(13,232)
Net deferred tax liabilities	$ (8,913)	$ (9,722)

The Company recorded valuation allowances of $87,419 and $80,054 as of December 31, 2025 and 2024, respectively. As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. During 2024, the Company assessed the available positive and negative evidence in evaluating the realizability of its existing deferred tax asset. Two significant pieces of objective negative evidence identified were the cumulative pre-tax losses in the U.S. and U.K. in recent years, and the year-over-year decline in sales due to reduced customer demand. Such objective evidence limits the ability to consider more subjective evidence, such as projections for future improved operating results. On the basis of this evaluation, the Company recorded a full valuation allowance against these U.S. and U.K. deferred tax assets, due to the uncertainty regarding their realizability. Based on the results of operations in 2025, the Company has maintained this full valuation allowance against its U.S. and U.K. deferred tax assets as of December 31, 2025.

As of December 31, 2025, management determined that there is sufficient positive evidence to conclude that it is more likely than not that certain of its deferred tax assets outside the U.S. and U.K. were realizable. The valuation allowances that are provided on certain of these non-U.S. and non-U.K. deferred tax assets mainly relate to specific tax losses carried forward due to the uncertainty surrounding their realization.

If events occur in the future that improve the certainty of realization for those deferred assets for which a valuation allowance is recorded as of December 31, 2025, an adjustment to the valuation allowances will be made and consequently income tax expenses will be reduced. The valuation allowance has no impact on its tax loss carryforwards position for tax purposes, and if the Company generates taxable income in future periods, the Company will be able to use its tax loss carryforwards to offset taxes due at that time.

As of December 31, 2025, the Company had loss carryforwards in the UK of approximately $137,685 which do not expire, in the US of approximately $145,025, of which $9,397 expire in 2038 if not utilized and $135,628 which do not expire, and in China of approximately $135 which expire in 2026 if not utilized. In addition, there is approximately $3,407 of US state loss carryforwards which will expire on various dates through 2044 if not utilized.

There have been recent tax law developments in jurisdictions in which the Company operates. From a global perspective, the Organization of Economic Cooperation and Development ("OECD") introduced its Pillar II Framework Model Rules ("Pillar 2") global minimum tax rules, which have been adopted in some jurisdictions (a 15% jurisdictional minimum generally applicable to multinational groups with consolidated revenue of €750,000 or more) with effective dates beginning in 2024–2025. The adoption of this standard does not have a material impact on the Company's consolidated financial statements, but the Company will continue to monitor any future developments related to this standard. In the U.S., the One Big Beautiful Bill Act of 2025 ("OBBBA") made permanent certain provisions of the 2017 Tax Cuts and Jobs Act and introduced additional corporate tax changes, many of which are effective for tax years beginning after 2025. The Company does not expect this new tax law to have a material impact on its results of operations.

The Company received net cash refunds as follows:

	For the Year Ended December 31,		
	2025	2024	2023
United Kingdom	$ (2,019)	$ (1,218)	$ (428)
United States	64	(548)	(1,030)
Germany	217	369	544
Poland	381	—	—
Total cash received for tax refunds, net	$ (1,357)	$ (1,397)	$ (914)

The Company has no uncertain tax positions as of December 31, 2025 and 2024, respectively. The Company's policy is to recognize interest and penalties associated with uncertain tax positions as a component of income tax expense. As of December 31, 2025 and 2024, the Company has no accrued interest or penalties related to uncertain tax positions.

The amount of the Company's undistributed earnings amounted to approximately $7,675 and $6,247 as of December 31, 2025 and 2024, respectively, as such earnings are considered indefinitely reinvested or may be remitted tax-free upon distribution. It is not practicable to estimate the amount of deferred tax liability related to the undistributed earnings, and so no deferred tax liability was recorded as of December 31, 2025 and 2024, respectively.

Note 14. Shareholders' Equity (Deficit)

During the years ended December 31, 2025 and 2024, the Company repurchased 52,965 and 151,923 ADSs, respectively, in the open market for a total consideration of $110 and $342 (including transaction costs of $3 and $10), respectively, under the Company's previously announced share repurchase program. The Company funded the repurchases under the repurchase program with cash on hand. All shares were purchased through the open market. None of these ADSs were cancelled during the year ended December 31, 2025. As of December 31, 2025, $9,561 remains available for repurchase under the $10,000 stock repurchase program. Repurchases may be made from time to time, subject to applicable securities laws, through open-market purchases, privately negotiated transactions, or by other means (including Rule 10b5-1 and Rule 10b5-18 compliant trading plans). Depending on market conditions, liquidity and other factors, these repurchases may be commenced or suspended from time to time without prior notice. There are no assurances regarding how many additional ADS/Ordinary Shares, if any, the Company may repurchase.

In connection with the Merlyn Mind IP acquisition discussed in *Note 3. Acquisitions and Dispositions*, on September 8, 2025, the Company issued a warrant to purchase up to 10,000,000 ordinary shares at $1.214 per share (equivalent to $12.14 per ADS), expiring on September 8, 2032. The warrant met equity classification requirements and was recorded in additional paid-in capital at its grant-date fair value of $212. The warrant is not remeasured after issuance.

In 2025, in connection with the vesting of RSUs previously granted under the Mynd.ai Equity Incentive Plan (the "Equity Incentive Plan") to certain of the Company's employees, executive officers and directors, the Company issued an aggregate of 939,090 ADSs to such individuals.

In 2026, in connection with the vesting of RSUs previously granted under the Equity Incentive Plan to certain of the Company's employees, executive officers and directors, the Company issued an aggregate of 925,365 ADSs to such individuals. As a result of the resignation of two members of the Company's Board of Directors in February 2026, previously granted RSUs of 75,680 were waived and 130,118 RSUs were forfeited.

Note 15. Share-Based Compensation

In January 2024, the Company's Board of Directors approved the Equity Incentive Plan. Under the Equity Incentive Plan, awards may be granted to officers, employees and consultants of the Company or any of its affiliates in the form of stock options, restricted shares, RSUs, stock appreciation rights, performance stock, performance stock units, and other awards. The maximum aggregate number of ordinary shares that was initially authorized for issuance under the Equity Incentive Plan is 54,777,338, together with a corresponding number of ADSs.

The number of ordinary shares available for issuance under the Equity Incentive Plan also includes an automatic annual increase on the first day of each fiscal year beginning in 2025, equal to five percent (5%) of the total number of ordinary shares outstanding, on a fully diluted basis, on the last day of the immediately preceding fiscal year. Pursuant to this annual increase, an additional 28,374,850 and 27,731,110 ordinary shares became available for issuance under the Equity Incentive Plan on January 1, 2026 and 2025, respectively.

The Company's Board of Directors awards time-based RSUs to certain directors, executive officers and employees that vest over specified time periods, subject to the recipient's continued service. The RSUs that have been granted generally vest in quarterly installments over two to three years of service, entitling the holders to one ADS for each vested RSU. The unvested RSUs do not have voting rights. The closing stock price on the date of each grant is used to determine the fair value of RSUs.

The following table summarizes RSU activity for the years ended December 31, 2025 and 2024:

	Year Ended December 31,			
	2025		2024	
	Number of ADS	Weighted Average Grant Date Fair Value Per ADS	Number of ADS	Weighted Average Grant Date Fair Value Per ADS
Outstanding, beginning balance	4,185,488	$ 3.43	—	$ —
Granted	2,501,632	1.01	4,306,116	3.45
Clawback	(201,665)	3.92	—	—
Vested [(1)]	(1,217,067)	3.39	—	—
Forfeited	(1,651,487)	3.39	(120,628)	3.92
Outstanding, ending balance	3,616,901	$ 1.77	4,185,488	$ 3.43

[(1)] The vested amount shown includes 277,977 ADSs withheld by the Company to satisfy certain tax withholding obligations.

Share-based compensation expense is included within the following lines in the statement of operations for the years ended December 31, 2025 and 2024:

	Year Ended December 31,	
	2025	2024
Cost of revenue	$ (98)	$ 142
General and administrative	3,114	3,186
Research and development	(226)	337
Sales and marketing	93	33
Total share-based compensation expense	2,883	3,698
Less tax benefit	(356)	(431)
Share-based compensation expense, net of tax	$ 2,527	$ 3,267

As of December 31, 2025, total unrecognized compensation expense related to unvested awards was $3,973, which is expected to be recognized over a weighted-average period of 1.7 years.

Note 16. Net (Loss) Income Per Share

The following table sets forth the computation of basic and diluted net (loss) income per share of the Company's common stock, net of non-controlling interest:

	Year Ended December 31,		
	2025	2024	2023
Numerator:			
Net loss attributable to ordinary shareholders from continuing operations	$ (54,071)	$ (104,477)	$ (38,790)
Net income (loss) attributable to ordinary shareholders from discontinued operations	—	8,758	(638)
Net loss attributable to ordinary shareholders	$ (54,071)	$ (95,719)	$ (39,428)
Denominator:			
Weighted average shares outstanding used in calculating net (loss) income per share	456,830,533	456,471,923	427,986,755
Basic and diluted (loss) income per share			
Net loss per share from continuing operations	$ (0.12)	$ (0.23)	$ (0.09)
Net income per share from discontinued operations	$ —	$ 0.02	$ —
Net loss per share	$ (0.12)	$ (0.21)	$ (0.09)

Basic and diluted net (loss) income per share are computed using the weighted average number of ordinary shares outstanding during the period.

The following is a summary of outstanding potential ordinary shares that have been excluded from the computation of diluted net loss per share attributable to ordinary shareholders because their inclusion would have been anti-dilutive:

	Year Ended December 31,		
	2025	2024	2023
Convertible debt	59,116,156	33,773,015	32,220,497
RSUs	6,437,362	1,742,676	—
Warrants [1]	—	—	—

[1] Although exercisable into 10,000,000 ordinary shares for the year ended December 31, 2025, the warrants were excluded from basic and diluted EPS calculation because they were out-of-the-money See *Note 14. Shareholders' Equity (Deficit)* for additional details.

Note 17. Related Party Transactions

As of December 31, 2025 and 2024, the Company has receivables of $3,095 and $1,561, respectively, and payables of $5,343 and $4,621, respectively, with related parties with common ownership. Receivables relate to reimbursements owed by related parties for costs incurred, including employee-related costs and services provided by the Company on behalf of related parties. Payables relate to engineering, hosting, and employee services provided by related parties on behalf of the Company. These payables exclude the Loans payable, related parties, non-current discussed below, as well as the Convertible Note discussed in *Note 10. Debt*. During the years ended December 31, 2025 and 2024, the Company recognized $194 and $462, respectively, in revenue from related parties. No revenue from related parties was recognized in the year ended December 31, 2023. During the years ended December 31, 2025, 2024 and 2023, the Company received services from related parties which resulted in net costs totaling $1,641, $2,103, and $8,745, respectively.

As of December 31, 2024, the Company had $5,006 in funding from a related party, which was recorded as Loans payable, related parties, non-current on the consolidated balance sheets. As of December 31, 2025, $5,217 owed by the Company to this related party had been extinguished. The resulting benefit from the extinguishment of this funding has been presented as an increase to additional paid-in capital in the consolidated statements of changes in shareholders' equity.

As of December 31, 2024, certain historical net payable balances of $2,412 owed by Edmodo to a related party were forgiven, as a result of the formal dissolution of Edmodo. The resulting benefit from the forgiveness of these payables has been presented as an increase to additional paid-in capital in the consolidated statements of changes in shareholders' equity.

In December 2023, the Company issued a senior secured convertible note to an entity which is considered a related party as of December 31, 2025 and 2024. See further discussion of this note in *Note 10. Debt*.

As discussed further in *Note 2. Summary of Significant Accounting Policies*, on January 14, 2026, the Company entered into the Inventory Agreement with NetDragon under which NetDragon assumes initial payment responsibility for hardware supplier invoices, subject to a $50,000 revolving cap. The Company is obligated to reimburse NetDragon within 365 days of inventory receipt, together with simple interest at 3% per annum. If certain cost reduction targets are not met by NetDragon in any calendar year, the Company will be entitled to a credit in the amount of all interest paid to NetDragon during the preceding calendar year. As of the date of issuance of these consolidated financial statements, the Company has received $14,594 under the Inventory Agreement.

Note 18. Employee Benefits Plan

The Company contributes to a number of defined contribution plans which provide benefits based upon the contributions made to the plans. The assets of the plans are held separately from those of the Company in independently administered funds. During the years ended December 31, 2025, 2024 and 2023, the Company incurred contribution costs of $1,671, 2,320 and 2,301, respectively, to these plans.

Note 19. Significant Concentrations

During the years ended December 31, 2025, 2024 and 2023, one customer represented $32,732, $43,163, and $84,262 (or 19%, 16%, and 20%) of revenue, respectively. During the years ended December 31, 2024 and 2023, another customer represented $29,839 and $45,576 (or 11% and 11%) of revenue, respectively. No other customers represented more than 10% of revenue during the years ended December 31, 2025, 2024 and 2023.

During the years ended December 31, 2025, 2024, and 2023, our top two suppliers represented $74,285, $116,255, and $178,385 (or 56%, 58%, and 57%) of cost of revenue, respectively. No other suppliers represented more than 10% of cost of revenue during the years ended December 31, 2025, 2024 and 2023.

As of December 31, 2025 and 2024, our top two customers represented $8,070 and $4,915 (or 32% and 16%) of accounts receivable, respectively. No other customers represented more than 10% of accounts receivable as of December 31, 2025 and 2024.

Note 20. Discontinued Operations

In 2022, the Company concluded that its abandonment of the North America geographic region of the Edmodo business qualified for presentation as discontinued operations. In 2024, the Company concluded that its sale of its holdings of capital stock of GEH Singapore also qualified for presentation as discontinued operations. In both cases, this conclusion was reached because the disposal represented a strategic shift with a major effect on the Company's operations and financial results. See further discussion in *Note 2. Summary of Significant Accounting Policies*.

The following table provides a reconciliation of the Company’s net income (loss) from discontinued operations presented in the consolidated statements of operations for the years ended December 31, 2024 and 2023. Cash flows of discontinued operations are presented within the Consolidated Statements of Cash Flows for 2024 and 2023 only. During the year ended December 31, 2024, the Company disposed of its interests in GEH Singapore in its entirety and closed the remaining operations of Edmodo. As a result, the Company does not have any assets of liabilities that qualify for presentation as discontinued operations as of December 31, 2024. There was no activity associated with discontinued operations in 2025. There are no interest or other corporate costs allocated to discontinued operations in financial results presented below.

Mynd.ai, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

	Year Ended December 31					
	2024			2023		
	GEH Singapore	Edmodo	Total	GEH Singapore	Edmodo	Total
Revenue	$ 29,115	$ —	$ 29,115	$ 1,808	$ —	$ 1,808
Cost of revenue	25,045	—	25,045	1,237	(119)	1,118
Gross profit	4,070	—	4,070	571	119	690
Operating expenses:						
General and administrative	4,494	64	4,558	355	900	1,255
Research and development	—	—	—	—	41	41
Sales and marketing	457	—	457	11	1	12
Total operating expenses	4,951	64	5,015	366	942	1,308
Operating (loss) profit from discontinued operations	(881)	(64)	(945)	205	(823)	(618)
Other income (expense):						
Interest expense	(43)	—	(43)	(3)	—	(3)
Gain on disposition of GEH Singapore	9,255	—	9,255	—	—	—
Other income (expense)	439	—	439	(3)	—	(3)
Total other income (expense)	9,651	—	9,651	(6)	—	(6)
Income (loss) from discontinued operations, before income taxes	8,770	(64)	8,706	199	(823)	(624)
Income tax benefit	19	—	19	19	—	19
Income (loss) from discontinued operations, net of tax	8,789	(64)	8,725	218	(823)	(605)
Net loss (income) attributable to non-controlling interests	(33)	—	(33)	33	—	33
Net income (loss) attributable to Mynd	$ 8,822	$ (64)	$ 8,758	$ 185	$ (823)	$ (638)

Note 21. Subsequent Events

The Company has evaluated all known events and transactions that occurred after December 31, 2025 through the date of the issuance of these consolidated financial statements, and determined that no subsequent events have occurred that would require recognition or disclosure in these financial statements, except as disclosed in the following notes to the consolidated financial statements:

- *Note 2. Summary of Significant Accounting Policies* in relation to the NetDragon Inventory Agreement;
- *Note 10. Debt* in relation to the agreement with Bank of America to terminate the Company's Revolver.
- *Note 14. Shareholders' Equity (Deficit)* in relation to the share issuance for vested RSUs.
- *Note 15. Share-Based Compensation* in relation to the annual increase to the number of ordinary shares available for issuance under the Equity Incentive Plan.
- *Note 17. Related Party Transactions* in relation to the NetDragon Inventory Agreement.

ITEM 19. EXHIBITS

Exhibit Index	Description of Document
1.1	Sixth Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated by reference to Exhibit 1.1 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
2.1	Registrant's Specimen American Depositary Receipt (incorporated herein by reference to the 424(b)(3) filed on December 13, 2023 (File No. 333-220440)).
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 2.2 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
2.3	Form of Deposit Agreement, among the Registrant, the depositary and the holders and beneficial owners of the American Depositary Shares issued thereunder (incorporated herein by reference to Exhibit 4.3 to the Form F-1/A filed on September 13, 2017 (File No. 333-220259)).
2.4	Form of Amendment No. 1 to the Deposit Agreement, among the Registrant, the depositary and holders and beneficial owners of the American Depositary Shares issued thereunder (incorporated by reference to Exhibit (a)(i) of post-effective amendment No. 1 to the registration statement on Form F-6 filed on October 5, 2022 (file No. 333-220440)).
2.5	Description of American Depositary Shares of the Registrant (incorporated herein by reference to Exhibit 2.6 to the Form 20-F filed on April 28, 2023 (File No. 001-38203)).
2.6	Description of Ordinary Shares of the Registrant (incorporated by reference to Exhibit 2.6 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
2.7	Senior Secured Convertible Note Purchase Agreement, dated April 18, 2023, by and among the Company, Best Assistant, and Nurture Education (Cayman) Limited (incorporated by reference to Exhibit 2.7 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
2.8	Convertible Promissory Note, dated December 13, 2023, made in favor of Nurture Education (Cayman) Limited (incorporated by reference to Exhibit 2.8 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
2.9	Form of Share Charge Agreement (included as Exhibit B to the Senior Secured Convertible Note Purchase Agreement filed as Exhibit 2.7 to the Annual Report on Form 20-F filed by the Company on March 27, 2024 and incorporated by reference herein).
4.1	Mynd.ai, Inc. Equity Incentive Plan (incorporated by reference to Exhibit 4.1 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.2	Form of Indemnification Agreement between the Registrant and its directors and officers (incorporated by reference to Exhibit 4.2 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.3	Registration Rights Agreement between the Registrant and NetDragon Websoft Inc., dated December 12, 2023 (incorporated by reference to Exhibit 4.3 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.4	Registration Rights Agreement between the Registrant and Nurture Education Cayman Limited, dated December 13, 2023 (incorporated by reference to Exhibit 4.4 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.5	Agreement and Plan of Merger, dated as of April 18, 2023, by and among Gravitas Education Holdings, Inc., Bright Sunlight Limited, Best Assistant Education Online Limited, and solely for purposes of certain named sections thereof, NetDragon Websoft Holdings Limited (incorporated herein by reference to Annex A of Exhibit 99.2 to the current report on Form 6-K filed on April 18, 2023 (File No. 001-38203)).
4.6	Omnibus Amendment and Waiver, dated October 18, 2023, by and among Gravitas Education Holdings, Inc., Bright Sunlight Limited, Best Assistant Education Online Limited, NetDragon Websoft Holdings Limited and certain sellers and purchasers named therein (incorporated by reference to Exhibit 4.6 to the Annual Report on Form 20-F filed by the Company on March 27, 2024)
4.7	Second Omnibus Amendment and Waiver, dated December 7, 2023, by and among Gravitas Education Holdings, Inc., Bright Sunlight Limited, Best Assistant Education Online Limited, NetDragon Websoft Holdings Limited and certain sellers and purchasers named therein (incorporated by reference to Exhibit 4.7 to the Annual Report on Form 20-F filed by the Company on March 27, 2024)
4.8	Loan and Security Agreement dated as of June 25, 2018, by and among certain of the Company's subsidiaries, the Lenders named therein and Bank of America, N.A. ("Loan and Security Agreement") (incorporated by reference to Exhibit 4.8 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.9	First Amendment and Limited Consent to Loan and Security Agreement dated as of August 6, 2018 (incorporated by reference to Exhibit 4.9 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.10	Second Amendment to Loan and Security Agreement dated as of May 24, 2019 (incorporated by reference to Exhibit 4.10 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.11	Third Amendment to Loan and Security Agreement dated as of December 20, 2021 (incorporated by reference to Exhibit 4.11 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.12	Fourth Amendment to Loan and Security Agreement dated as of March 30, 2022 (incorporated by reference to Exhibit 4.12 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.13	Fifth Amendment to Loan and Security Agreement dated as of January 19, 2023 (incorporated by reference to Exhibit 4.13 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.14	Sixth Amendment to Loan and Security Agreement dated as of March 2, 2023 (incorporated by reference to Exhibit 4.14 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.15	Seventh Amendment to Loan and Security Agreement dated as of October 18, 2023 (incorporated by reference to Exhibit 4.15 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
4.16*	Eighth Amendment to Loan and Security Agreement dated as of February 24, 2026.
4.17*	Asset Purchase Agreement, dated August 25, 2025, by and between Merlyn Mind, Inc. and Promethean, Inc.
4.18*	Ordinary Share Purchase Warrant, dated September 8, 2025, issued by Mynd.ai, Inc. to Merlyn Mind, Inc.
4.19*	Inventory Management and Consultancy Agreement, dated January 14, 2026, by and between Promethean Limited and NetDragon Websoft Holdings Limited.
4.20*	Mynd.ai Independent Director Compensation Policy.
8.1*	Significant Subsidiaries of the Registrant.
11.1	Mynd.ai Insider Trading Policy (incorporated by reference to Exhibit 11.1 to the Annual Report on Form 20-F filed by the Company on March 26, 2025).
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

13.2**	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Deloitte & Touche LLP Independent Registered Public Accounting Firm
97.1	Compensation Recovery Policy (incorporated by reference to Exhibit 97.1 to the Annual Report on Form 20-F filed by the Company on March 27, 2024).
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document);

*Filed with this Annual Report on Form 20-F.

**Furnished with this Annual Report on Form 20-F.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Mynd.ai, Inc.

By:	/s/ Arthur Giterman
Name:	Arthur Giterman
Title:	Chief Executive Officer & Chief Financial Officer

Date: May 28, 2026

Exhibit 4.16

Execution Version

EIGHTH AMENDMENT
TO LOAN AND SECURITY AGREEMENT

This **EIGHTH AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this"Amendment") is dated as of February 24, 2026, and is entered into by and among **PROMETHEAN WORLD LIMITED**, a company incorporated in England and Wales with company number 07118000 ("Parent"), **PROMETHEAN INC.**, a Delaware corporation ("Promethean U.S."), **PROMETHEAN LIMITED**, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.," and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("Bank of America"), as agent and security trustee for the Lenders ("Agent").

RECITALS

A. WHEREAS, Borrowers, Lenders and Agent have previously entered into that certain Loan and Security Agreement, dated as of June 25, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lenders agreed to make loans and extend other financial accommodations to the Obligors;

B. WHEREAS, the Obligors have requested that the Agent and Lenders amend the Loan Agreement in certain respects; and

C. WHEREAS, the Agent and Lenders are willing to amend the Loan Agreement in certain respects, on the terms and subject to the conditions contained in this Amendment.

AGREEMENT

NOW, **THEREFORE**, in consideration of the mutual conditions and agreements set forth in the Loan Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Initially capitalized terms used but not otherwise defined in this Amendment have the respective meanings given thereto in the Loan Agreement, as amended hereby.

Section 1.2 Recitals. The Recitals above are incorporated herein as though set forth in full and the Obligors stipulate to the accuracy of each of the Recitals.

ARTICLE II

AMENDMENTS TO LOAN AGREEMENT

Section 2.1 **Existing Definitions**. The definitions in **Section 1.1** of the Loan Agreement set forth below are deleted and replaced as follows:

Payment Conditions: with respect to any investments, Distributions, payment of Debt, (i) both before and after giving effect to any such transaction and giving pro forma effect to the applicable transaction, no Default or Event of Default has occurred and is continuing or would arise as a result of the applicable transaction, and (ii) Agent has provided its prior written consent thereto.

Permitted Distributions: Distributions made so long as immediately before and after giving effect thereto, no Default or Event of Default exists and the Payment Conditions have been satisfied.

Repayment Amount: (i) with respect to the payment due hereunder on February 27, 2026, $550,000 and (ii) with respect to all other payments, $500,000.

U.K. Inventory Formula Amount: the lesser of:

(a) $3,000,000, and

(b) the lesser of:

(y) 65% of the Value of Eligible Inventory of Promethean U.K. located in the Dutch Warehouse or

(z) 85% of the NOLV Percentage of the Value of Eligible Inventory of Promethean U.K. located in the Dutch Warehouse.

U.K. Sublimit: commencing on the Eighth Amendment Effective Date and continuing thereafter, $3,000,000.

Unused Line Fee Rate: a per annum rate equal to 0.050%.

U.S. Inventory Formula Amount: the lesser of:

(a) $7,000,000, and

(b) the sum of:

(i) the lesser of (x) 65% of the Value of Eligible Inventory of Promethean U.S.; or (y) 85% of the NOLV Percentage of the Value of Eligible Inventory of Promethean U.S.; plus

(ii) the least of (x) $25,000,000, (y) 65% of the Value of Eligible In-Transit Inventory of Promethean U.S. or (z) 85% of the NOLV Percentage of the Value of Eligible In-Transit Inventory of Promethean U.S.

U.S. Sublimit: commencing on the Eighth Amendment Effective Date and continuing thereafter, $12,000,000**.**

Section 2.3 **New Definitions**. The following definitions are added to **Section 1.1** of the Loan Agreement in the appropriate alphabetical place:

Eighth Amendment Effective Date: February 24, 2026.

Section 2.4 **Further Amendments**. The Loan Agreement is further amended as follows:

(i) **Section 2.2** of the Loan Agreement is deleted and replaced with the following:

2.2 **[Reserved].**

(ii) **Section 2.1.8** is hereby added to the Loan Agreement as follows:

2.1.8 No Further Revolving Loans or Letters of Credit. Notwithstanding anything stated to the contrary in this Section 2 or any other section in this Agreement, (a) commencing on the Eighth Amendment Effective Date and continuing at all times thereafter, no further Revolver Loans or Letters of Credit shall be provided to Borrower without the prior written consent of Agent (which may be provided in its sole and absolute discretion) and (b) by no later than April 30, 2026, all remaining Obligations (including LC Obligations and Obligations in respect of Bank Products) shall be Cash Collateralized in a manner satisfactory to Agent.

(iii) **Section 5.3** of the Loan Agreement is deleted and replaced with the following:

5.3 **Scheduled Repayments of Revolver Loans.** Commencing on February 27, 2026 and continuing thereafter, the outstanding Revolver Loans shall be repaid in an amount equal to the Repayment Amount on each of February 27, 2026, March 13, 2026, March 27, 2026 and April 17, 2026.

(iv) Section 10.2.1(j) is hereby added to the Loan Agreement as follows:

(j) Debt incurred by Borrowers pursuant to that certain Inventory Management and Consultancy Agreement dated as of January 14, 2025 between Promethean U.K. and NetDragon Websoft Holdings Limited, a Cayman Island company, up to the aggregate outstanding amount of $50,000,000.

(v) **Schedule 1.1** of the Loan Agreement is deleted and replaced with **Schedule 1.1** attached hereto.

ARTICLE III

CONDITIONS PRECEDENT AND POST-CLOSING REQUIREMENTS

Section 3.1 Conditions Precedent. The parties hereto agree that the amendments set forth herein shall not be effective until the satisfaction of each of the following conditions precedent (such date shall be referred to as the "Eighth Amendment Effectiveness Date"):

(a) The representations and warranties contained herein and in the Loan Agreement shall be true and correct in all material respects as of the date hereof as if made on the date hereof, except for such representations and warranties limited by their terms to a specific date, including without limitation, any disclosures made as of the Closing Date that are set forth in the schedules attached to the Loan Agreement;

(b) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, an executed original of this Amendment; and

(c) The Obligors shall have paid to the Agent the fees, costs, and expenses owed to and/or incurred by the Agent arising in connection with this Amendment (including the Amendment Fee and reasonable attorneys' fees and costs).

ARTICLE IV

ADDITIONAL COVENANTS AND MISCELLANEOUS

Section 4.1 Acknowledgment of the Obligors. The Obligors hereby represent and warrant that the execution and delivery of this Amendment and compliance by Obligors with all of the provisions of this Amendment: (a) are within the powers and purposes of the Obligors; (b) have been duly authorized or approved by the board of directors or managers of the Obligors; (c) do not conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation to which such Obligor is a party or affecting it, or the properties of such Obligor or any subsidiary thereof, or (y) any order, injunction, writ or decree of any governmental authority or any arbitral award to which such Obligor or any subsidiary thereof or its property is subject; and (c) when executed and delivered by or on behalf of the Obligors, will constitute valid and binding obligations of each Obligor, enforceable in accordance with their terms. Each Obligor reaffirms its obligation to pay all amounts due to the Agent and the Lenders under the Loan Documents in accordance with the terms thereof, as modified hereby.

Section 4.2 Representations and Warranties. "The Obligors represent and warrant that, after giving effect to this Amendment, each of the representations and warranties made by the Parent and each Borrower in **Section 9** of the Amended Loan Agreement is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), in each case on and as of the date hereof as if made on and as of the date hereof, except in the case of any such representation or warranty that expressly relates to an earlier date, in

which case such representation or warranty is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date, including without limitation, any disclosures made as of the Closing Date that are set forth in the schedules attached to the Loan Agreement.

Section 4.3 Loan Documents Unmodified. All terms and provisions of the other Loan Documents shall remain in full force and effect. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Loan Agreement or any of the other Loan Documents, as modified hereby or otherwise, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except to the extent provided in this Amendment. Any lien and/or security interest granted to the Agent in the Collateral set forth in the Loan Documents shall remain unchanged and in full force and effect and shall continue to secure the payment and performance of all of the obligations of the Obligors under the Loan Documents.

Section 4.4 Event of Default. A breach of this Amendment shall be an Event of Default.

Section 4.5 Parties, Successors and Assigns. This Amendment shall be binding upon the Obligors and shall inure to the benefit of the Lender and its respective successors and assigns.

Section 4.6 Counterparts. This Amendment may be executed in one or more counterparts and by telecopy, each of which, when so executed, shall be deemed to be an original, but all of which, when taken together shall constitute one and the same instrument.

Section 4.7 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only, are not a part of this Amendment, and shall not affect the interpretation hereof.

Section 4.8 Expenses of Agent. Without limiting the terms and conditions of the Loan Documents, each Obligor agrees to pay on demand: (a) all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all subsequent amendments, modifications, and supplements hereto or thereto, including without limitation, the costs and fees of the Agent’s legal counsel; and (b) all costs and expenses reasonably incurred by the Agent in connection with the enforcement or preservation of any rights under the Loan Agreement, this Amendment, and/or the other Loan Documents, including without limitation, the costs and fees of the Agent’s legal counsel.

Section 4.9 Choice of Law; Jury Trial Waiver. THIS AMENDMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT FEDERAL LAWS RELATING TO

NATIONAL BANKS. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO A TRIAL BY JURY, IF ANY, IN ANY ACTION TO ENFORCE, DEFEND, INTERPRET, OR OTHERWISE CONCERNING

THIS AMENDMENT. WITHOUT LIMITING THE APPLICABILITY OF ANY OTHER PROVISION OF THE LOAN AGREEMENT, THE TERMS OF **SECTIONS 14.15** AND **14.16** OF THE LOAN AGREEMENT SHALL APPLY TO THIS AMENDMENT.

Section 4.10 Release.

(a) EACH OBLIGOR HEREBY IRREVOCABLY RELEASES AND FOREVER DISCHARGES AGENT, LENDERS AND THEIR AFFILIATES, AND EACH SUCH PERSON'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, ATTORNEYS AND REPRESENTATIVES (EACH, A "RELEASED PERSON") OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF ACTION WHATSOEVER (EACH A "CLAIM") THAT SUCH OBLIGOR MAY NOW HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PERSON ON THE DATE OF THIS AMENDMENT, WHETHER KNOWN OR UNKNOWN, OF EVERY NATURE AND EXTENT WHATSOEVER, FOR OR BECAUSE OF ANY MATTER OR THING DONE, OMITTED OR SUFFERED TO BE DONE OR OMITTED BY ANY OF THE RELEASED PERSONS THAT BOTH (1) OCCURRED PRIOR TO OR ON THE DATE OF THIS AMENDMENT AND (2) IS ON ACCOUNT OF OR IN ANY WAY CONCERNING, ARISING OUT OF OR FOUNDED UPON THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT. THE FOREGOING DOES NOT RELEASE ANY RELEASED PERSON FROM THE CONTINUING PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AMENDMENT OR THE OTHER LOAN DOCUMENTS ON OR AFTER THE DATE HEREOF.

(b) EACH OBLIGOR INTENDS THE ABOVE RELEASE TO COVER, ENCOMPASS, RELEASE, AND EXTINGUISH, INTER ALIA, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION THAT MIGHT OTHERWISE BE RESERVED BY THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

EACH OBLIGOR ACKNOWLEDGES THAT IT MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN ADDITION TO THOSE NOW KNOWN OR BELIEVED TO BE TRUE WITH RESPECT TO SUCH CLAIMS, DEMANDS, OR CAUSES OF ACTION, AND AGREES THAT THIS AMENDMENT AND THE ABOVE RELEASE ARE AND WILL REMAIN EFFECTIVE IN ALL RESPECTS NOTWITHSTANDING ANY SUCH DIFFERENCES OR ADDITIONAL FACTS.

Section 4.11 **Reservation of Rights.** To the extent any Defaults or Events of Default have occurred and are continuing (whether such Defaults or Events of Default or known to Agent or Lenders), Agent reserves all rights and remedies which may be available under the Loan Documents or at law or equity with respect to such Defaults or Events of Default.

Section 4.12 **Total Agreement.** This Amendment, the Loan Agreement, and all other Loan Documents shall constitute the entire agreement between the parties relating to the subject matter hereof and thereof, and shall not be changed or terminated orally.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the day and year first written above.

PARENT:

PROMETHEAN WORLD LIMITED
a company incorporated in England and Wales with company number 07118000

By: /s/: Arthur Giterman
Name: Arthur Giterman
Title: CEO & Director

BORROWERS:

PROMETHEAN INC.,
a Delaware corporation

By: /s/: Allyson Krause
Name: Allyson Krause
Title: EVP & General Counsel

PROMETHEAN LIMITED,
a company incorporated in Wales and England with company number 01308938

By: /s/: Allyson Krause
Name: Allyson Krause
Title: EVP & General Counsel

AGENT AND LENDERS:

BANK OF AMERICA, N.A.,
as Agent and Lender

By: /s/: Tyler Sims
Name: Tyler Sims
Title: Senior Vice President

ACKNOWLEDGMENT AND CONSENT BY GUARANTORS

Each of the undersigned (each, a "Guarantor") consents to the foregoing Eighth Amendment to Loan Agreement, the Loan Agreement and other Loan Documents and the transactions contemplated thereby and reaffirms its obligations under the Loan Documents to which it is a party, including but not limited to that certain Continuing and Unconditional Guaranty dated as of June 25, 2018 and that certain Guarantee and Debenture dated as of June 25, 2018, that certain Pledge Agreement dated as of June 25, 2018 and that certain Guarantee and Debenture dated as of January 19, 2023, as such documents may be amended, modified, supplemented or replaced from time to time.

Each Guarantor reaffirms, to the extent a party thereto, that its obligations under the Loan Documents are separate and distinct from the Borrowers' obligations and reaffirms its waivers of each and every one of the possible defenses to such obligations.

[Signature Page Follows]

Agreed and acknowledged:

PROMETHEAN WORLD LIMITED
a company incorporated in England and Wales with company number 07118000

By: /s/: Arthur Giterman
Name: Arthur Giterman
Title: CEO & Director

PROMETHEAN (HOLDINGS) LIMITED,
a company incorporated in England and Wales with company number 2359658

By: /s/: Allyson Krause
Name: Allyson Krause
Title: EVP & General Counsel

CHALKFREE LIMITED,
a company incorporated in England and Wales with company number 5227933

By: /s/: Allyson Krause
Name: Allyson Krause
Title: EVP & General Counsel

SCHEDULE 1.1
to
Loan and Security Agreement

Commencing on the Eighth Amendment Effective Date and continuing thereafter:

Lender	Revolver Commitments
Bank of America, N.A.	$15,000,000

Exhibit 4.17

ASSET PURCHASE AGREEMENT

between

MERLYN MIND, INC.

"SELLER"

And

PROMETHEAN, INC

"BUYER"

August 25, 2025

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), dated as of the date on which the last of the parties has executed this Agreement (the "Execution Date"), is by and between Merlyn Mind Inc. a Delaware, USA Company, with its principal office address at 8 W. 40th Street, Floor 20, New York, NY ("Seller"), and Promethean Inc, a Delaware, USA company with its principal office located at, 701 5th Avenue, Suite 5000, Seattle, WA 98104 ("Buyer") (each, a "Party," and collectively, the "Parties").

Recitals

WHEREAS, Seller is engaged in developing, supplying, and commercializing artificial intelligence (AI) and other software solutions, including products and service offerings that improve the lives of educators, solve real-world classroom challenges and drive successful learning outcomes;

WHEREAS, on or before the Closing Date, Seller has developed certain Intellectual Property (defined herein), products, and services offered by the Seller to customers in the K-12 and Higher Education markets ("Education Market") consisting of the proprietary software developed and owned by Seller for its "Merlyn for Education" business, which includes but is not limited to its "Merlyn Origin", "Merlyn Display", and Merlyn digital voice assistant products (the "Purchased Software"), as such software's codebase is maintained by Seller separately from the codebases of its Emergence AI business line; patents, patent applications, trademarks, and trademark applications set forth on Schedule 1 attached hereto (the "Purchased IP"); and Purchased Know-How (defined in Schedule 2) (collectively referred to as the "Purchased Assets"); and

WHEREAS, Seller is willing to sell to Buyer, and Buyer desires to purchase from Seller, the Purchased Assets, on and subject to the terms conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the respective representations, warranties, agreements and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article 1
Definitions

1.1 Definitions. Capitalized terms used but otherwise not defined above or in the body of this Agreement have the meanings set forth in Attachment I, which is attached hereto and incorporated herein by reference.

Article 2
Basic Transaction

2.1 Purchase and Sale of Purchased Assets. Contingent and effective only upon Buyer's payment and completion, Seller's receipt and confirmation, of each element of the

Consideration detailed below in Section 2.4, and subject to the terms and conditions of this Agreement, including the reservations and licenses made and granted in Article 6, and on the basis of the representations, warranties, covenants, disclaimers and limitations hereinafter set forth, at the Closing, Buyer shall purchase, receive, and accept from Seller and Seller shall sell, transfer, convey, and deliver to Buyer, all of Seller's right, title, and interest in and to the Purchased Assets.

2.2 Out-of-Scope Assets. Notwithstanding anything to the contrary in this Agreement, Seller shall retain all of its right, title and interest in and to, and Seller shall not, and shall not be deemed to, sell, assign, convey or transfer to Buyer, and the Purchased Assets (including the Purchased IP, Purchased Software, and Purchased Know-How) shall not, and shall not be deemed to, include Seller's names and marks "EMERGENCE", "EMERGENCE AI" and "CRAFT", nor any of the other Seller-retained assets and rights set forth in Schedule 3 attached hereto (collectively, the "Out-of-Scope Assets"). For avoidance of doubt, the Purchased Assets do not include any assets or rights of Seller associated with any business of Seller including without limitation: (a) any contracts with existing customers; (b) any liabilities or obligations related to existing customers who purchased or are using the technology; (c) cash and cash equivalents (d) accounts receivable; (e) corporate records and minute books of the Seller; and (f) any other asset not specifically included in the Purchased Assets.

2.3 No Assumption of Liabilities. Buyer is not assuming any liabilities of Seller, whether known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due (all such liabilities, individually and collectively being the "Excluded Liabilities"). Seller shall retain and be responsible for all Excluded Liabilities.

2.4 Consideration. The aggregate purchase price for the Purchased Assets shall consist of (i) the cancellation and forgiveness by the Buyer of the outstanding Trade Liability in the amount of $5,467,496.00 USD, (ii) the dismissal with prejudice of the Complaint filed by Buyer against Seller for the Trade Liability, and (iii) a warrant to purchase up to 10,000,000 ordinary shares of Mynd.ai, Inc. at an exercise price of $1.214 per ordinary share (collectively, the "Consideration").

A. Buyer shall file a dismissal with prejudice of the Complaint within five (5) business days following the Closing Date.

B. Buyer shall cause Mynd.ai, Inc., a Delaware corporation and Buyer's parent company ("Mynd.ai"), to deliver to Seller the Warrant within five (5) business days following the Closing Date, substantially in the form set forth as Exhibit A. Buyer represents that Mynd.ai has full corporate power and authority to issue such Warrant and that such Warrant, when issued, will be validly issued and enforceable in accordance with its terms.

2.5 Deliveries and Closing.

A. The Closing shall take place remotely by exchange of documents and signatures, on a date and time mutually agreed upon by the parties after satisfaction or waiver of the conditions precedent set forth in Section 2.5(C), but in no event later than the Closing Date. At the Closing, the Parties shall each deliver to the other Party the following duly executed:

(1) a Bill of Sale in the form set forth as Exhibit B which shall become effective on the Closing Date;

(2) a Patent and Trademark Assignment in the form set forth as Exhibit C which shall become effective on the Closing Date and, within 30 days of the Closing Date, original patent certificates and trademark certificates for all registered patents and trademarks included in the Purchased IP, or certified copies thereof if originals are not available;

(3) a Technology Transition Services Agreement in the form set forth as Exhibit D which shall become effective on the Closing Date; and

(4) evidence satisfactory to Buyer that all security interests, liens, pledges, mortgages, or other encumbrances affecting any of the Purchased Assets have been released, terminated, or satisfied, including but not limited to: (i) UCC-3 termination statements for any financing statements filed against the Purchased Assets; (ii) releases or satisfactions of any security agreements, pledge agreements, or mortgage documents affecting the Purchased Assets; and (iii) any other documentation reasonably requested by Buyer to evidence the complete release of all encumbrances on the Purchased Assets.

B. Prior to or at the Closing, Buyer shall deliver to Seller (i) a copy of the dismissal with prejudice of the Complaint to be filed pursuant to Section 2.4(A), and (ii) evidence reasonably satisfactory to Seller that Mynd.ai has authorized the issuance of the Warrant.

C. Conditions Precedent to Closing. The obligations of the Parties to consummate the transactions contemplated shall be subject to the satisfaction or waiver, at or prior to the Closing, of the following conditions: (a) Seller shall have obtained written consent to the Closing from WTI Fund X, Inc. and WTI Fund XI, Inc. (collectively, “WTI”), together with duly executed release instruments, in form and substance reasonably satisfactory to Buyer, releasing all liens and security interests of WTI on the Purchase Assets; (b) Seller shall have obtained from Best Assistant Education Online Limited duly executed releases, in form and substance reasonably satisfactory to Buyer, releasing all security interests of Best Assistant in the Purchased IP.

2.6. As is, Where is Sale. Except for the express representations and warranties given under Article 4, Seller makes no representations or warranty, express or implied, with respect to the Purchased Assets, including: (A) the value, condition, merchantability, marketability, profitability, suitability, or fitness for a particular use or purpose, and (B) the manner, quality, state of repair, or lack of repair of the assets. Subject to the representations and warranties set forth in Article 4, the assets are being conveyed to Buyer by Seller on an "as is, where is" basis. There are no other oral agreements, warranties, or representations, collateral to or affecting the assets by Seller, any agent of Seller, or any third party. Buyer hereby waives any and all implied warranties with respect to the assets.

Article 3
Mutual Releases

3.1 By Buyer. Effective upon the Closing, Buyer, on behalf of itself and its Affiliates, successors, hereby fully and forever releases, covenants not to sue and discharges Seller and its Affiliates, successors, and assigns from any and all claims, demands, debts, liabilities, obligations, costs, expenses, actions, and causes of action of every kind and nature whatsoever, whether now known or unknown suspected or unsuspected, that Buyer may have against Seller arising out of or relating to any agreements between the Buyer and the Seller that predate the Closing Date.

3.2 By Seller. Upon the Closing and contingent and effective only upon Buyer's payment and completion, and Seller's receipt of, each element of the Consideration detailed above in Section 2.4, Seller, on behalf of itself and its Affiliates, successors, fully and forever release, covenant not to sue and discharges Buyer and its Affiliates, successors, and assigns from any and all claims, demands, debts, liabilities, obligations, costs, expenses, actions, and causes of action of every kind and nature whatsoever, whether now known or unknown suspected or unsuspected, that Seller may have against Buyer arising out of or relating to any prior agreements between Buyer and Seller that predate the Closing Date.

3.3 Mutual. Each Party also (i) affirms that, except for the Complaint, which Buyer hereby agrees to dismiss with prejudice as contemplated above, neither Party has filed with any governmental agency or court any other type of action or report against the other Party, and as of the Closing Date knows of no existing act or omission by the other Party that may constitute a claim or liability excluded from the release described herein, and (ii) with respect to any agreement, act or omission prior to and including the Closing Date, waives and releases any and all rights and benefits under California Civil Code Section 1542, or any similar provision of state law which states in substance:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her,

would have materially affected his or her settlement with the debtor or released party.”

3.4 Acknowledgment of Settlement. Without limiting each Party’s obligations hereunder, each Party acknowledges that (a) the Consideration, assignment, reservations and licenses made and granted hereunder, are in full settlement of all claims or losses of whatsoever kind or character that such Party has, claims to have, may ever have had, or at any time hereafter may have or claim to have against the other Party or anyone else released by this Article 3 arising from any agreement, act or omission prior to and including the Closing Date, and (b) by signing this Agreement, and accepting the consideration provided herein and the benefits of it, such Party is giving up forever any right to seek further monetary or other relief from the other Party for any acts or omissions arising under any prior or contemporary agreements between the Parties.

3.5 No Admission of Liability. It is further understood and agreed that neither Party admits any breach of any obligation or duty to the other, and each specifically denies any negligence, gross negligence, malicious conduct, breach of contract, repudiation of contract, tortious interference with any contract, defamation, intentional or negligent infliction of mental anguish, fraud, sharp and deceitful practices, any willful infliction of economic hardship, any bad faith, or any other wrongdoing whatsoever toward the other party, all liability being specifically denied.

Article 4
Representations and Warranties; Due Investigation.

4.1 By Seller. Seller represents and warrants to Buyer that as of the Execution Date, the following statements contained in this Section 4.1 are true and correct in all material respects, except, in each instance, as modified, limited, or otherwise negated by statements set forth in this Agreement and the Schedules and Exhibits to this Agreement:

A. Organization of Seller Entities. Seller is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

B. Authorization of Transaction. Seller has full corporate power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance by Seller of this Agreement have been duly authorized by all requisite corporate action on behalf of Seller. This Agreement constitutes the valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms and conditions. No material consent, authorization, or approval of, or declaration, filing or registration with, any governmental authority, or any consent, authorization, or approval of any other third party, is necessary in order to enable the Seller to enter into and perform its obligations under this Agreement.

C. Non-Contravention. The execution and delivery of this Agreement and the other agreements contemplated by this Agreement do not, and the consummation of the transactions contemplated by the terms of this Agreement will not: (i) conflict with or result in any violation of or constitute a breach of the Certificate of Incorporation, any provision in the Articles of Association, or Bylaws of Seller; (ii) conflict with, require any consent under, result in the violation of, or constitute a breach of, or accelerate the performance required on the part of the Buyer by the terms of, any material contract, lease, commitment, or agreement to which Buyer is a party; or (iii) constitute a violation by Seller of any applicable law.

D. Purchased Assets.

(1) Title to Assets. As of the Closing Date, Seller has good and marketable title to the Purchased Assets, free and clear of all encumbrances; provided, for clarity, that non-exclusive licenses granted to Existing Customers (as set forth in Schedule 4) and Newline Interactive Inc. are not encumbrances. Seller has conducted reasonable searches of applicable public records and has no knowledge of any security interests, liens, pledges, mortgages, or other encumbrances affecting any of the Purchased Assets that will not be released as of the Closing Date.

(2) Employee/Consultant Documentation. Each of the employees or contractors who contributed to the development (alone or with others) of any of the Purchased Assets for Seller has executed and delivered to Seller the relevant agreements that assign to Seller all of said Purchased Assets that Seller purports to own or Seller owns such intellectual property rights by operation of law. There has been no disclosure by Seller of any such trade secrets in a manner or fashion that materially and adversely affects Seller's ownership thereof.

(3) Intellectual Property Rights. None of the Purchased IP that are issued and existing as of the Closing Date has been found invalid, unenforceable, or misused for any reason in any administrative, arbitral, judicial, or other proceeding before the U.S. Patent and Trademark Offices and/or any Governmental Entity elsewhere in the world. Seller has not received any written notice from any Person claiming that any such Purchased IP is invalid, unenforceable, or misused, other than routine office actions and similar issuances in the course of prosecuting the same. Seller has not received notice, threat or claim alleging that the Purchased Assets, or any component or element of the Purchased Assets, infringes or misappropriates the Intellectual Property of any Person. Seller has taken commercially reasonable measures to protect the confidentiality of all trade secrets included in the Purchased Assets.

(4) Intellectual Property Agreements. Seller has not granted any exclusive licenses nor any other licenses outside the ordinary course of business

under the Purchased IP and the Purchased Know-How; for clarity, excluding non-exclusive licenses granted in connection with Seller's sales, distribution, or support of its products and services specifically, those granted to Existing Customers (as set forth in Schedule 4) and Newline Interactive Inc.

(5) Completeness of Source Code and IP. Seller has taken reasonable steps to document and protect the source code in the Purchased Software. The source code and the Forked Code (defined below) are: (i) complete, current, and represent the most recent version; and (ii) contains all code, libraries, tools, and other materials necessary to build, compile, and operate the software other than certain third party tools and accounts, as will be identified with setup instructions in the documentation included in the Purchased Assets in Schedule 2 provided by Seller. Seller has not withheld any source code, documentation, or other materials that are necessary for the full and complete use of the source code and the Forked Code and, to the extent such materials are not included, will collaborate with Buyer to ensure full and complete use of the source and the Forked Code under the Technology Transition Services Agreement (defined below).

(6) Standards-Setting Organizations. Neither Seller nor, to Seller's Knowledge, any inventor of any of the patents in the Purchased Assets, is or has ever participated as a member of or contributor to any standards organization in a manner or fashion that materially and adversely affects Seller's ownership thereof.

(7) Contaminants. The Purchased Software, as delivered to Buyer, is free from any material defects. The Purchased Software, as delivered to Buyer, does not contain any disabling codes or instructions, spyware, Trojan horses, worms, trap doors, time bombs, viruses, malicious code, and other software or programming routines intended to materially disrupt, impair, or damage the operation of the Purchased Software or a computer, data processing systems, facilities, or service running the Purchased Software.

(8) Patent Office Proceedings. None of the Purchased IP that are issued and existing as of the Closing Date are the subject of any pending cancellation, opposition, reexamination, reissue, or interference proceeding or any similar proceeding, and no such proceedings are pending or threatened.

(9) Maintenance and Prosecution of the Patents. With respect to the Purchased IP that are issued and existing as of the Closing Date, Seller has timely paid all necessary maintenance fees due prior to the Closing Date in each case to the extent necessary to maintain such Purchased IP. As of the Closing Date, no maintenance fees are currently due and payable, or past due, with respect to any component of the Purchased IP.

(10) Consents. Seller has obtained all government consents, approvals, and other authorizations, if any, required to assign such Purchased Assets as set forth in this Agreement.

(11) Litigation. Seller is not (i) subject to any threatened or outstanding claim (except for Buyer's Complaint), injunction, judgment, order, decree, ruling, or charge relating to the Purchased Assets, or (ii) a party (willing or otherwise) to any action, suit (except for Buyer's Complaint), proceeding, or hearing or any investigation of, in, or before any court or quasi-judicial or administrative agent of any national, state, local, or foreign jurisdiction relating to the Purchased Assets.

(12) Tax. Seller has duly and timely filed all material Tax Returns required to be filed with respect to the Purchased Assets and has paid all Taxes shown as due on such Tax Returns. The Seller is not involved in any dispute with the U.S. Internal Revenue Service or other governmental tax authority and is not the subject of any enquiry by any taxation authority, which may affect any of the Purchased Assets.

4.2 By Buyer. Buyer represents and warrants to Seller that as of the Closing Date, the following statements contained in this Section 4.2 are true and correct in all material respects, except, in each instance, as modified, limited, or otherwise negated by statements set forth in this Agreement and the Schedules and Exhibits to this Agreement:

A. Organization of Buyer. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization.

B. Authorization of Transaction. Buyer has full corporate power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement. The execution, delivery, and performance by Buyer of this Agreement have been duly authorized by all requisite corporate action on behalf of Buyer. This Agreement constitutes the valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms and conditions. No material consent, authorization, or approval of, or declaration, filing, or registration with any governmental authority, or any consent, authorization or approval of any other third party, is necessary in order to enable the Buyer to enter into and perform its obligations under this Agreement.

C. Non-Contravention. The execution and delivery of this Agreement and the other agreements contemplated by this Agreement do not, and the consummation of the transactions contemplated by the terms of this Agreement will not: (i) conflict with or result in any violation of or constitute a breach of any provision of the Certificate of Incorporation or the Articles of Association or Bylaws of Buyer; nor (ii) constitute a violation by Buyer of any applicable law.

D. Due Investigation. Buyer acknowledges, agrees, represents, warrants to Seller that Buyer has been provided access and the opportunity to inspect the condition, quality, fitness, suitability, and sufficiency of the Purchased Assets. Buyer further acknowledges that except as expressly provided in this Section 4, Buyer is acquiring the Purchased Assets on an "as is, where is" basis, that Seller is not making any further representations or warranties with respect to the Purchased Assets, and that the Consideration reflects the "as is, where is" nature of the transaction.

Article 5
Additional Covenants

5.1 Cooperation. Seller shall use reasonable efforts to provide continued access to any inventors listed in the patents identified in the Purchased Assets for the purpose of ensuring that Buyer can satisfactorily reply to all examination reports or office actions issued by any applicable patent office. Buyer shall bear any out of pocket costs associated with any cooperation, including, but not limited to travel and other related expenses provided all such out of pocket costs are notified or, alternatively, estimated to Buyer in advance of such costs being incurred. Notwithstanding the time limitations set forth in Article 8 for indemnification claims, Buyer's right to assert a claim for breach of contract arising from Seller's failure to perform its obligations under this Section 5.1 shall not be subject to such time limitations and may be asserted at any time prior to the 5th anniversary of the Closing Date.

5.2 Records. On the Closing Date, Seller shall deliver or cause to be delivered to Buyer the following materials (collectively, the "Records") in Seller's possession relating exclusively to the Purchased Assets sold to the extent not then in the possession of Buyer: design and architecture documentation; complete build instructions; documentation relating to test procedures, test scripts, test reports; a snapshot of the current source code repository including change history; a snapshot of the issue database including issue history and current work plan; release history and release notes; and development logbooks.

5.3 Transition Services. On the Closing Date, Seller shall deliver a Technology Transition Services Agreement in the form set forth as Exhibit D pursuant to which Seller shall provide Buyer with access to certain employees of Seller following the Closing Date to facilitate the transfer of knowledge regarding the Purchased Assets (the "Technology Transition Services Agreement").

5.4 Further Assurance. If and when requested by a Party, the other Party will execute and deliver, or cause to be executed and delivered, all documents and instruments and shall take, or cause to be taken, all further or other actions (subject to the limitations set forth in this Agreement) as the requesting Party may reasonably deem necessary or desirable to consummate the transactions contemplated by this Agreement.

5.5 Confidentiality. Following the Closing, Seller shall, and shall cause its Affiliates to, keep confidential and not use any confidential information relating exclusively to the Purchased Assets that constitutes trade secrets or proprietary technical specifications of the Purchased Assets ("Protected Information"), except (a) as required by law; (b) with Buyer's prior written consent; (c) to the extent necessary to exercise Seller's rights under the license-back provisions in Article 6; (d) to the extent such information becomes publicly available through no fault of Seller; or (e) to the extent independently developed by Seller without reference to the Protected Information;. For clarity, general knowledge, skills, and expertise retained in the unaided memories of Seller's employees who had access to the Purchased Assets shall not be deemed Protected Information. This confidentiality obligation shall expire three (3) years after the Closing Date. Notwithstanding the time limitations set forth in Article 8 for indemnification claims, Buyer's right to assert a claim for breach of contract arising from Seller's failure to perform its obligations under this Section 5.5 shall not be subject to such time limitations and may be asserted at any time prior to the 3rd anniversary of the Closing Date.

5.6 Release of Security Interests. Prior to the Closing Date, Seller shall take commercially reasonable efforts to obtain the release, termination, satisfaction, or discharge of any and all security interests, liens, pledges, mortgages, or other encumbrances affecting any of the Purchased Assets, including without limitation: (i) obtaining and delivering to all secured parties any necessary releases, satisfactions, or discharge documents; (ii) filing all necessary termination statements (including UCC-3 statements); (iii) as between the Parties, making any payments required to obtain such releases; and (iv) providing Buyer with evidence satisfactory to Buyer of such releases. As between the parties, Seller shall bear all costs associated with obtaining such releases.

5.7 Existing and Pipeline Customers. While Seller may assign its liabilities and obligations (contractual or otherwise) associated with the Existing Customers and Pipeline Customers (as defined in Schedule 4), as between the Parties, Seller shall remain responsible for any such liabilities or obligations including without limitation any warranty claims, service obligations, maintenance requirements, bug fixes, infringement claims based upon use of the Purchased Assets by Existing or Pipeline Customers, or any other liabilities or obligations relating to the Purchased Software that arose prior to or after the Closing Date.

5.8 Source Code Transfer, Code Fork and License Provisions.

A. At or prior to the Closing, Seller shall transfer to Buyer all source code included in the Purchased Assets by depositing such source code into a repository designated by Buyer, which may include Buyer's own source code repository system or a third-party escrow service selected by Buyer.

B. The source code transfer shall include: (i) All source code for all software included in the Purchased Assets, including all versions, releases, and updates; (ii) All

associated documentation, including design documents, architecture diagrams, API specifications, and developer notes; (iii) All build scripts, configuration files, and other materials necessary to compile, build, and deploy the software; (iv) All development tools, testing frameworks, and other software development materials used in connection with the software; and (v) Complete instructions for building, testing, and deploying the software.

C. Within five (5) business days of the transfer of the sourced code as outlined above, Seller shall certify in writing that the source code transferred to Buyer is complete, current, and represents the most recent version of all software included in the Purchased Assets.

D. During the transition service period (as defined in the Technology Transition Services Agreement), Seller shall provide reasonable assistance to Buyer in verifying the completeness and functionality of the transferred source code.

E. At or prior to Closing, in addition to Seller transferring the source code to Buyer as outlined above, Seller shall create a copy of the source code of the Purchased Software (the "Forked Code"). Ownership of the Forked Code shall transfer to the Buyer at Closing as part of the Purchased Assets.

F. Seller shall implement reasonable technical measures to: (i) prevent unauthorized access to or use of the Forked Code; and (ii) maintain separation between the Forked Code and any other software or code developed or used by Seller.

5.9 Restrictive Covenant to Seller.

A. Seller hereby covenants and agrees that for a period of five (5) years following the Closing Date (the "Restricted Period"), neither Seller nor any of its Affiliates shall offer products and services which are substantially similar to the products and services offered by Seller's "Merlyn for Education" business to customers in the Education Market prior to the Closing Date. For the avoidance of doubt, nothing in this paragraph shall prohibit Seller from: (i) developing, commercializing, or licensing general-purpose AI agents or technologies, provided such activities are not marketed or targeted for use in a K-12 or Higher Education classroom environment; or (ii) fulfilling its obligations to Existing and Pipeline Customers during the Customer Service License Term as set forth in Section 6.2.

B. For a period of five (5) years following the Closing Date, neither Seller nor its Affiliates shall solicit or attempt to solicit any customer of Buyer for products or services that are substantially similar to the products and services offered by Seller's "Merlyn for Education" business to customers in the Education Market prior to the Closing Date. For the avoidance of doubt, nothing in this paragraph shall prohibit Seller from: (i) marketing or providing general-purpose AI agents or technologies, provided such activities are not marketed or targeted primarily for use as a digital voice assistant in the K-12 or higher education markets; or (ii)

fulfilling its obligations to Existing and Pipeline Customers during the Customer Service License Term as set forth in Section 6.2.

C. Seller acknowledges that (i) the restrictions contained in this Section 5.9 are reasonable and necessary to protect the legitimate interests of Buyer and constitute a material inducement to Buyer to enter into this Agreement and to consummate the transactions contemplated by this Agreement.

D. If any court or Governmental Entity determines that the covenants contained in this Section 5.9 (or any part thereof) are invalid or unenforceable, such court or Governmental Entity shall reform or modify such covenant or provision to the limited extent necessary to cause such covenant or provision to be valid and enforceable while preserving its intent to the maximum extent possible. If such reformation or modification is not possible, the remainder of this Section will not be affected and will be given full effect without regard to the invalid provisions.

E. Notwithstanding the time limitations set forth in Article 8 for indemnification claims, Buyer's right to assert a claim for breach of contract arising from Seller's failure to perform its obligations under this Section 5.9 shall not be subject to such time limitations and may be asserted at any time prior to the 5th anniversary of the Closing Date.

5.10 Termination of Third-Party Agreements.

(a) Seller shall, within 5 days of the Closing Date, deliver a notice of termination of any and all agreements, arrangements, understandings, or relationships with third parties pursuant to which Seller is incorporating, integrating, embedding, or otherwise including any component of the Purchased Assets into the products, services, or technology platforms of Newline Interactive, Inc. and its subsidiaries and affiliates.

(b) Seller shall use commercially reasonable efforts to retrieve or cause the destruction of any copies of the Purchased Assets in the possession or control of third parties (excluding ordinary course cloud hosting or backup copies) on or prior to the Closing Date, provided that Seller may retain and use copies as reasonably necessary to fulfill its obligations to Existing and Pipeline Customers during the Customer Service License Term as set forth in Section 6.2. To the extent Buyer or Seller becomes aware that any third party retains copies of the Purchased Assets after the Closing Date without the necessary legal rights granted by Buyer, Buyer shall be notified and upon Buyer's request, Seller shall provide written notice to such third party that Seller has assigned all rights in the Purchased Assets to Buyer and that any further use of the Purchased Assets must be authorized by Buyer.

Article 6
Reservations & Licenses-Back

6.1 Covenant Not to Sue. Buyer hereby covenants and agrees, on behalf of itself and its Affiliates and their respective successors and assigns, not to bring any claim, action, or proceeding against Seller, its Affiliates, successors, or assigns, or any of their respective customers, licensees, or end users based on infringement, misappropriation, or other violation of any Purchased IP to the extent such infringement, misappropriation, or violation arises solely from the incidental inclusion or incorporation of any Purchased IP in or with the Out-of-Scope Assets or Seller's continued use of the Out-of-Scope Assets. This covenant not to sue is limited to situations where: (a) any overlap between the Purchased IP and the Out-of-Scope Assets existed prior to the Closing Date and was not the result of intentional copying or substantial incorporation of the Purchased IP after the Closing Date; (b) the use of any Purchased IP in connection with the Out-of-Scope Assets is incidental to the primary function and purpose of such Out-of-Scope Assets; and (c) Seller is not marketing, licensing, or otherwise commercializing the Purchased IP as a standalone product or service separate from the Out-of-Scope Assets. For the avoidance of doubt, this covenant not to sue does not limit Buyer's rights with respect to any intentional infringement or substantial copying of the Purchased IP by Seller or any third party, or any use of the Purchased IP that extends beyond incidental inclusion in the Out-of-Scope Assets. This covenant shall be binding upon Buyer's successors and assigns, and Buyer shall not transfer the Purchased IP without requiring any transferee to agree to be bound in writing by this covenant. This covenant may be transferred by Seller without Buyer's consent in connection with a merger, acquisition, change of control, or similar transaction, provided that such transferee does not sell products substantially similar to Buyer's products in the K-12 or higher education classroom technology market. The Parties agree this covenant constitutes a license of intellectual property rights under Section 365(n) of the U.S. Bankruptcy Code.

6.2 Non-Exclusive License-Back to Enable Customer Service Continuity. For the purpose of enabling Seller (or its Affiliate, assignee(s), agent(s) or other designee(s)) to continue servicing and supporting its Existing and Pipeline Customers from the Closing until such time as (i) Seller has assigned and transferred its customer agreements with all such respective customers to one or more third-party assignees/transferees; or (ii) Seller's agreements with all such customers have expired and Seller has no continuing obligations thereunder (the "Customer Service License Term"), Seller reserves for itself and Buyer hereby grants to Seller and its Affiliates a nonexclusive, irrevocable and non-terminable (during the Customer Service License Term), fully transferrable and sublicensable, right and license in, to and under the Purchased Assets for the limited purpose to continue servicing and supporting such customers throughout the Customer Service License Term, including to fully utilize, commercialize and exploit such Purchased Assets, including to make, have made, use, sell, offer to sell, import, and export the

Purchased Assets. For clarity and notwithstanding anything to the contrary contained herein, Seller shall be free to retain a copy of the Purchased Software for use solely as contemplated herein in this Section 6.2 and, upon request by Seller, Buyer shall provide and make available to Seller a copy of any (or all) of the Purchased Software that Seller inadvertently failed to so retain.

Article 7
Delivery & Assistance; Responsibilities

7.1 Except as otherwise specified in this Agreement to include but not be limited to Section 5.7 (Existing and Pipeline Customers), Seller shall have no other obligation to deliver, provide or otherwise make available to Buyer any copies (whether in tangible or electronic form) of the Purchased Software, nor any other responsibility or liability for the Purchased Assets, including, without limitation, the development, provision, licensing, hosting, storage, support, improvement, enhancement, troubleshooting, fixing or use thereof. To that end, as between the parties Buyer shall be solely responsible for, all liabilities incurred, accrued or arising after the Closing Date in connection with the Purchased Assets, including, without limitation, all costs and expenses (including any third party hosting and/or licensing fees) associated with the development, provision, licensing, hosting, storage, support or use thereof, and Buyer shall defend, indemnify and hold Seller and its officers, directors, agents and employees harmless from liability relating to or arising out of the Buyer's use of the Purchased Assets after the Closing Date.

7.2 There are no implied licenses granted herein and all right, title and interest not specifically and expressly granted hereunder (including, without limitation, all right, title and interest in and to the Out-of-Scope Assets)are hereby reserved by Seller.

7.3 BUYER ACKNOWLEDGES THAT, NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES GIVEN UNDER ARTICLE 4, THE PURCHASED ASSETS AND ALL RIGHTS ASSIGNED HEREUNDER, ARE PROVIDED "AS IS" AND WITH ALL FAULTS AND THAT SELLER MAKES NO, AND HEREBY DISCLAIMS, ANY AND ALL REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE PURCHASED ASSETS ASSIGNED HEREUNDER, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF VALIDITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTY OF TITLE OR INFRINGEMENT.

7.4 EXCEPT IN CONNECTION WITH ITS GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR FRAUD, IN NO EVENT WILL EITHER PARTY OR ANY OF EACH SUCH PARTY'S AFFILIATES BE LIABLE FOR (A) ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS OR SAVINGS, WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE, ARISING OUT OF OR RELATING TO THIS AGREEMENT,

THE ACTIVITIES CONTEMPLATED HEREBY OR EITHER PARTY'S PERFORMANCE UNDER THIS AGREEMENT OR ANY OTHER AGREEMENT REFERENCED HEREIN; OR (B) AN AGGREGATE AMOUNT IN EXCESS OF $500,000 FOR ALL CLAIMS, EXCLUDING INDEMNIFICATION UNDER ARTICLE 9.

Article 8
Indemnification and Dispute Resolution

8.1 Indemnification by Seller. Subject to Sections 8.3 and 8.4, Seller shall defend, indemnify and hold harmless Buyer and its Affiliates, directors, officers, employees, agents, successors, and permitted assigns (collectively, "Buyer Indemnitees") from and against any and all losses, damages, liabilities, deficiencies, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees, fees and the costs of enforcing any right to indemnification under this Agreement, and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or relating to Losses suffered or incurred by any such Buyer Indemnitees, whether or not involving a third-party claim, to the extent arising from: (i) any breach of any Fundamental Representation of Seller contained in this Agreement; (ii) any breach of the Extended Representations of Seller contained in this Agreement; (iii) any breach of any Purchased Assets Representations contained in this Agreement; (iv) any breach of the Existing and Pipeline Customers covenant in Section 5.7; and (v) any willful or intentional breach of any other covenant of Seller contained in this Agreement. For purposes of this Agreement, "Fundamental Representations" means the representations and warranties set forth in Sections 4.1(A), 4.1(B), and 4.1(C). "Extended Representations" means the representations and warranties set forth in Sections 4.1(D)(4) through Sections 4.1(D)(12). "Purchased Assets Representations" means the representations and warranties set forth in Section 4.1(D)(1), Section 4.1(D)(2), and Section 4.1(D)(3).

8.2 Indemnification by Buyer. Buyer shall defend, indemnify and hold harmless Seller and its Affiliates, officers, directors, employees, and agents (together, the "Seller Indemnitees") from and against any Losses suffered or incurred by such Seller Indemnitees to the extent arising from: (i) any breach of any representation or warranty of Buyer contained in this Agreement; (ii) any breach of any covenant of Buyer contained in this Agreement; and (iii) any liability relating to or arising out of the Buyer's use, modification, development, licensing, distribution, or commercialization of the Purchased Assets after the Closing Date with the exception of any liabilities or obligations of Seller arising under Section 5.7 (Existing and Pipeline Customers covenant).

8.3 Procedures Relating to Indemnification.

A. Each party seeking indemnification hereunder (each, an "Indemnified Party") agrees that promptly upon its discovery of any Losses or discovery of facts giving

rise to a claim for indemnity under the provisions of this Agreement, including receipt by it of notice of any demand, assertion, claim, action, or proceeding, judicial or otherwise, by any third party (collectively referred to herein as the "Claim"), with respect to any matter as to which it claims to be entitled to indemnity under the provisions of this Agreement, it will give prompt notice thereof in writing to the party or parties from whom indemnification is sought (the "Indemnifying Party"), together with a statement of such information respecting any of the foregoing as it shall have. Such notice shall include a formal demand for indemnification under this Agreement. The Indemnifying Party shall not be obligated to indemnify the Indemnified Party with respect to any Claim if the Indemnified Party failed to notify the Indemnifying Party thereof in accordance with the provisions of this Agreement in sufficient time to permit the Indemnifying Party or its counsel to defend against such matter and to make a timely response thereto including, without limitation, any responsive motion or answer to a complaint, petition, notice or other legal, equitable or administrative process relating to the Claim, only insofar as such knowing failure to notify the Indemnifying Party has actually resulted in material prejudice or damage to the Indemnifying Party. Thereafter, the Indemnified Party shall deliver to the Indemnifying Party, within five business days after the Indemnified Party's receipt of notice, copies of all notices and documents (including court papers) received by the Indemnified Party relating to any Claim.

B. If a Claim is made against an Indemnified Party, the Indemnifying Party will be entitled to participate in the defense of the Claim, and if it so chooses and acknowledges its obligation to indemnify the Indemnified Party to assume the defense of the Claim with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the Indemnifying Party assumes the defense, the Indemnified Party may participate in the defense and employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party with the understanding that the Indemnifying Party controls the defense. The Indemnifying Party is liable for the fees and expenses of counsel employed by the Indemnified Party for any period during which the Indemnifying Party has not assumed defense of the Claim. If the Indemnifying Party defends a Claim, the Parties will reasonably cooperate in the defense or prosecution of the Claim. This cooperation will include the retention and (upon the Indemnifying Party's request) the provision to the Indemnifying Party of records and information that are reasonably relevant to the Claim, and making employees reasonably available on a mutually convenient basis to provide additional information and explanation of any material provided in accordance with this Agreement. Whether or not the Indemnifying Party assumes defense of the Claim, the Indemnified Party shall not admit any liability with respect to, or settle, compromise, or discharge, the Claim without the Indemnifying Party's prior written consent (which consent will not be unreasonably withheld).

8.4 Limitations of Liability for Indemnification.

A. Limitations for Specific Indemnification Claims. Notwithstanding any other provision of this Agreement, Seller's indemnification obligations under Section 8.1 arising from any breach of the Fundamental Representations as referenced in Section 8.1(i), (, and any breach of the other covenants as referenced in Section 8.1(v), (collectively, the "Specific Indemnification Claims"), shall be subject to the following limitations: (a) Seller's maximum aggregate liability for all Specific Indemnification Claims shall not exceed $500,000.00 USD; and (b) except as otherwise set forth in this Agreement, no claim for indemnification with respect to Specific Indemnification Claims may be asserted in respect of any Losses incurred after the 1st anniversary of the Closing Date, and no claim for indemnification with respect to Specific Indemnification Claims may be made unless the notice with respect thereto is delivered to Seller on or prior to the 1st anniversary of the Closing Date; and

B. Limitations for Extended Representations Indemnification Claims. Notwithstanding any other provision of this Agreement, Seller's indemnification obligations under Section 8.1 arising from any breach of the Extended Representations as referenced in Section 8.1(ii) shall be subject to the following limitations (a) Seller's maximum aggregate liability for all Extended Representations Indemnification Claims shall not exceed $500,000.00 USD; (b) no claim for indemnification with respect to Extended Representations Indemnification Claims may be asserted in respect of any Losses incurred after the 3rd anniversary of the Closing Date, and no claim for indemnification with respect to Extended Representations Indemnification Claims may be made unless the notice with respect thereto is delivered to Seller on or prior to the 3rd anniversary of the Closing Date.

C. Notwithstanding the foregoing, Seller shall have no liability for indemnification with respect to individual Specific Indemnification Claims or the individual Extended Representations Indemnification Claims having a value of less than or equal to $25,000.00 USD. Additionally, Seller shall have no requirement to indemnify the Buyer Indemnitees for Specific Indemnification Claims or Extended Representations Indemnification Claims unless the amount of such claims, when aggregated with all other Specific Indemnification Claims and Extended Representations Indemnification Claims, shall exceed $100,000.00 USD (the "Specific-Extended Minimum Aggregate Liability Amount") at which time the Specific Indemnification Claims or the Extended Representations Indemnification Claims may be asserted for the entire Specific-Extended Minimum Aggregate Liability Amount and any amounts in excess thereof.

D. Enhanced Limitations for Specific Indemnification Claims. Notwithstanding any other provision of this Agreement, Seller's indemnification obligations under Section 8.1 arising from (1) any breach of the Existing and Pipeline Customers

covenant in Section 5.7 as referenced in Section 8.1(iv), and (2) any breach of the Purchased Assets Representations as referenced in Section 8.1(iii) (collectively, the "Enhanced Indemnification Claims"), shall be subject to the following limitations: (a) Seller's maximum aggregate liability for all Enhanced Indemnification Claims shall not exceed $1,500,000.00 USD; (b) no claim for indemnification with respect to a breach of the Existing and Pipeline Customers covenant may be asserted in respect of any Losses incurred after the 5th anniversary of the Closing Date or the expiration or termination of the last of such customer contract, whichever is earlier, and no claim for indemnification with respect to a breach of the Existing and Pipeline Customers covenant may be made unless the notice with respect thereto is delivered to Seller on or prior to the 5th anniversary of the Closing Date or the expiration or termination of the last of such customer contract, whichever is earlier; and (c) no claim for indemnification with respect to the Purchased Asset Representations may be asserted in respect of any Losses incurred after the 3rd anniversary of the Closing Date, and no claim for indemnification with respect to Enhanced Indemnification Claims may be made unless the notice with respect thereto is delivered to Seller on or prior to the 3rd anniversary of the Closing Date. For clarity, the aggregate indemnity caps in Sections 8.4(A), 8.4(B), and 8.4(D) are not additive, and in no event will Seller's total liability under all indemnification obligations exceed $1,500,000 USD.

E. Notwithstanding the foregoing, Seller shall have no liability for indemnification with respect to individual Enhanced Indemnification Claims having a value of less than or equal to $10,000.00 USD. Additionally, Seller shall have no requirement to indemnify the Buyer Indemnitees for Enhanced Indemnification Claims unless the amount of such claims, when aggregated with all other Enhanced Indemnification Claims, shall exceed $50,000.00 USD (the "Enhanced Minimum Aggregate Liability Amount") at which time Enhanced Indemnification Claims may be asserted for the entire Enhanced Minimum Aggregate Liability Amount and any amounts in excess thereof.

F. Nothing in this Section 8.4 excludes or limits the liability of either Party to the extent that a Loss arises as a result of gross negligence, willful misconduct, or fraud.

8.5 Sole Remedy. Indemnification under this Article 8 shall be the sole and exclusive remedy of each Party (and each Indemnified Party) for any breach of any representations or warranties contained in this Agreement; provided, however, that nothing in this Agreement shall limit the right of a party to enforce the performance of this Agreement by any remedy available to it in equity, including specific performance.

8.6 Dispute Resolution. Any dispute, controversy or claim arising out of or related to this Agreement or the relationship between the parties created by this Agreement, whether sounding in contract, tort, or otherwise (including, without limitation, any

dispute regarding the enforceability of this provision or regarding whether any claim, matter, or dispute is subject to this provision), shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. The place of arbitration shall be New York, New York. The award of the arbitrator(s) shall be final and binding upon the parties.

Article 9
Miscellaneous

9.1 No Third Party Beneficiaries. This Agreement does not confer any right or remedy upon any Person other than the Parties and their respective successors and permitted assigns.

9.2 Entire Agreement. This Agreement (including the documents and schedules referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understanding, agreement, or representation by or between the Parties, written or oral, to the extent they relate in any way to the subject matter of this Agreement.

9.3 Succession and Assignment. This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign this Agreement or (except as otherwise expressly provided herein) any right, interest, or obligation under this Agreement without the prior written approval of the other Party.

9.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which is considered an original, but all of which together constitute one and the same instrument.

9.5 Headings. The Section headings contained in this Agreement are inserted for convenience only, and do not affect in any way the meaning or interpretation of this Agreement.

9.6 Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication is considered duly given (i) when delivered by hand; (b) when received by the addressee if sent by a nationally recognized overnight courier; (c) on the date sent by email if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed by certified or registered mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to Seller: Merlyn Mind Inc., d/b/a Emergence AI
8 W 40th St., 20th Floor
New York, NY 10018
Attn: General Counsel
legal@emergence.ai
scott@emergence.ai

If to Buyer: Promethean, Inc.
4550 North Point Parkway
Suite 370
Alpharetta, Georgia 30022
Attention: General Counsel
legal@prometheanworld.com
Allyson.krause@prometheanworld.com

A Party may change the address to which notices, requests, demands, claims, and other communications are to be delivered by giving the other Party notice in the above manner.

9.7 Governing Law. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) is governed by and to be construed in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule.

9.8 Amendment and Waiver. No amendment of any provision of this Agreement is valid unless the same is in writing and signed by authorized representatives of Buyer and Seller. The waiver by Buyer or Seller of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, is not considered to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent occurrence.

9.9 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions of this Agreement or the validity and enforceability of the offending term or provision in any other situation or in any other jurisdiction.

9.10 Expenses. Except as otherwise explicitly provided in this Agreement, the Parties shall bear their own costs and expenses (including legal fees and expenses) incurred in connection with the preparation of this Agreement and the related transactions.

9.11 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

9.12 Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated by reference and made a part of this Agreement.

{Signatures on Next Page}

IN WITNESS WHEREOF, the Parties have executed and delivered this Purchase Agreement as of the date first set forth above.

Merlyn Mind, Inc.

By: /s/: Satya Nitta
Name: Satya Nitta
Title: CEO

Promethean, Inc.

By: /s/: Arthur Giterman
Name: Arthur Giterman
Title: CEO & Director

ATTACHMENT I
DEFINITIONS

As used in this Agreement (including related Schedules and Exhibits), the following definitions apply. These definitions are in addition to those terms defined within the Agreement.

1.1 "Affiliate" means any entity which, directly or indirectly, is in control of, is controlled by, or is under common control with another entity.

1.2 "Closing" means the consummation of the transactions contemplated by this Agreement pursuant to Section 2.5, which shall be deemed to be effective as between the parties as of 11:59 p.m. Eastern Standard Time on the Closing Date.

1.3 "Closing Date" means the date on which the Closing occurs, which shall be no later than fourteen (14) days after the Execution Date, subject to the satisfaction or waiver of the conditions precedent set forth in Section 2.5(C).

1.4 "Complaint" means the complaint filed by Promethean, Inc. against Merlyn Mind Inc. in the Supreme Court of the State of New York, County of New York (Index No. 654296/2025).

1.5 "Governmental Entity" means an agency, instrumentality, political subdivision, or department of a Federal, State, or local government.

1.6 "Including" or "including" means including without limitation.

1.7 "Intellectual Property" means any and all rights in, arising out of or associated with patents, rights to inventions, copyright and related rights, moral rights, trademarks and service marks, business names and domain names, rights in trade dress, goodwill, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information including know-how and trade secrets, and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

1.8 "Mynd.ai" means Mynd.ai, Inc., a Delaware corporation and parent company of Buyer, whose American Depositary Shares are traded on the NYSE American under the symbol MYND.

1.9 "Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a Governmental Entity.

1.10 "Purchased Assets" means the Purchased Software, Purchased IP, and Purchased Know-How.

1.11 "Purchased Know-How" means documentation, specifications, technical information, design documents, and architecture diagrams relating exclusively to the compilation, deployment, configuration, and operation of the Purchased Software, including build instructions, dependency lists, API documentation, and configuration files necessary for the operation of the Purchased Software as more fully detailed in Schedule 2.

1.12 "Trade Liability" means the amount due to the Buyer from Seller under the Master Services Agreement between Buyer and Seller dated May 9, 2022, and related Statement of Work No.1 and all of the subsequent amendments 1 through 5 to the Statement of Work equal to $5,467,496.00, and any related agreements.

1.13 "Warrant" means the warrant to purchase up to 10,000,000 ordinary shares of Mynd.ai, Inc. at a strike price of $1.214 per ordinary share, as more particularly described in Section 2.4.

WARRANT

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

ORDINARY SHARE PURCHASE WARRANT

MYND.AI, INC.

Warrant Shares: 10,000,000 Issue Date: September 8, 2025

THIS ORDINARY SHARE PURCHASE WARRANT (the "Warrant") certifies that, for value received, Merlyn Mind, Inc. or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on September 8, 2032 (the "Termination Date") but not thereafter, to subscribe for and purchase from Mynd.ai, Inc., an exempted company organized under the laws of the Cayman Islands (the "Company"), up to 10,000,000 ordinary shares of the Company, par value $0.001 per share ("Ordinary Shares") (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one Ordinary Share under this Warrant shall be equal to the Exercise Price, as defined in Section 1(b). The Warrant is being issued pursuant to that certain Asset Purchase Agreement, dated as of August 25, 2025, among the Company and the Holder signatory thereto, as amended and/or restated from time to time (the "Purchase Agreement").

Section 1. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part (including, on a cashless basis in accordance with Section 3 below), at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within two (2) business days following the transmission of the Notice of Exercise, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank (which may take the form of a "cashless exercise" if so indicated in the Exercise Notice pursuant to Section 3 below). No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any

Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) business days following the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per Ordinary Share under this Warrant shall be $1.214 subject to adjustment as set forth herein (the "Exercise Price").

c) Mechanics of Exercise.

i. Entry of Warrant Shares on Company's Books and Records. Promptly following receipt of the Notice of Exercise and Exercise Price, the Company shall cause its Transfer Agent to credit the Warrant Shares purchased hereunder to the Holder's account by updating the Company's official registry of members.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

iv. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that, in the event that

Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

v. Closing of Books. The Company will not close its shareholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Section 2. Certain Adjustments.

a) Share Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a share dividend or otherwise makes a distribution or distributions on Ordinary Shares or any other equity or equity equivalent securities payable in Ordinary Shares (which, for avoidance of doubt, shall not include any Ordinary Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding Ordinary Shares into a larger number of shares, (iii) combines (including by way of reverse share split) outstanding Ordinary Shares into a smaller number of shares, or (iv) issues by reclassification of shares of the Ordinary into any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 2(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person (excluding a merger effected solely to change the Company's name or domicile), (ii) the Company (and all of its Subsidiaries, taken as a whole), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Ordinary Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Ordinary Shares, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Ordinary Shares or any compulsory share exchange pursuant to which the Ordinary Shares are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related

transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding Ordinary Shares (not including any Ordinary Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder, the number of Ordinary Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Ordinary Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Ordinary Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Ordinary Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 2(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Ordinary Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Ordinary Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in the form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding the foregoing, in the event of a Fundamental Transaction where the consideration payable to holders of shares of Ordinary Shares consists solely of cash, solely of Marketable Securities, or a combination of

cash and Marketable Securities, then this Warrant shall, if applicable, automatically be deemed to be exercised in full in a "cashless exercise" pursuant to Section 3 below effective immediately prior to and contingent upon the consummation of such Fundamental Transaction.

c) Calculations. All calculations under this Section 2 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 2, the number of Ordinary Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Ordinary Shares (excluding treasury shares, if any) issued and outstanding.

d) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 2, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Ordinary Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Ordinary Shares, (C) the Company shall authorize the granting to all holders of the Ordinary Shares rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Ordinary Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of its assets, or any compulsory share exchange whereby the Ordinary Shares is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Ordinary Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Ordinary Shares of record shall be entitled to exchange their Ordinary Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file or furnish such information with the Commission pursuant to

a Current Report on Form 6-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 3. Payment of Exercise Price. Notwithstanding anything contained herein to the contrary, the Holder may, in its sole discretion, if applicable, satisfy its obligation to pay the Exercise Price through a "cashless exercise," in which event the Company shall issue to the Holder the number of Warrant Shares in an exchange of securities effected pursuant to Section 3(a)(9) of the Securities Act as determined as follows:

$$X = Y [(A-B)/A]$$

where:

"**X**" equals the number of Warrant Shares to be issued to the Holder;

"**Y**" equals the total number of Warrant Shares with respect to which this Warrant is then being exercised;

"**A**" equals the amount that is equal to (i) last VWAP immediately preceding the time of delivery of the Exercise Notice giving rise to the applicable "cashless exercise," as set forth in the applicable Exercise Notice (to clarify, the "last VWAP" will be the last VWAP as calculated over an entire Trading Day such that, in the event that this Warrant is exercised at a time that the Principal Trading Market is open, the prior Trading Day's VWAP shall be used in this calculation). divided by ten (10); and

"**B**" equals the Exercise Price per Warrant Share then in effect on the Exercise Date.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood, and acknowledged that the Warrant Shares issued in such a "cashless exercise" transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued (provided that the Commission continues to take the position that such treatment is proper at the time of such exercise). Except as set forth in Section 1(c) (payment of cash in lieu of fractional shares), in no event will the exercise of this Warrant be settled in cash.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof, this Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to

physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) business days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the original Issue Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Defined Terms. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Commission**" means the United States Securities and Exchange Commission.

(b) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(c) "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act, and is then current in its filing of all required reports and other information under the Securities Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Fundamental Transaction (as defined below), were Holder to exercise this Warrant on or prior to the closing thereof, is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market, and (iii) following the closing of such Fundamental Transaction, the Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by the Holder in such Fundamental Transaction were the Holder to exercise or convert this Warrant in full on or prior to the closing of such Fundamental Transaction, except to the extent that any such restriction (x) arises

solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Fundamental Transaction.

(d) "**Principal Trading Market**" means the national securities exchange or other trading market on which the American Depositary Shares representing the Ordinary Shares ("ADSs") (it being understood that each ADS represents ten (10) Ordinary Shares), are primarily listed and quoted for trading, which, as of the date hereof, shall be NYSE American.

(e) "**Securities Act**" means the Securities Act of 1933, as amended.

(f) "**Trading Day**" means any weekday on which the Principal Trading Market is open for trading. If the ADSs are not listed or admitted for trading, "Trading Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in New York City are authorized or required by law or other governmental action to close.

(g) "**Transfer Agent**" means Maples Fund Services (Asia) Ltd., the Company's transfer agent and registrar for the Ordinary Shares, and any successor appointed in such capacity.

(h) "**VWAP**" means, for any date, the price determined by the first of the following clauses that applies: (i) if the ADSs are then listed or quoted on a national securities exchange or other trading market, the daily volume weighted average price per ADS of the ADSs for such date (or the nearest preceding date) on the Principal Trading Market as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (ii) if the ADSs are then listed or quoted for trading and neither OTCQB nor OTCQX is the Principal Trading Market, the volume weighted average price per ADS of the ADSs for such date (or the nearest preceding date) on OTCQB or OTCQX, as applicable, (iii) if the ADSs are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the ADSs are then reported in the "**Pink Sheets**" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per ADS of the ADSs so reported, or (iv) in all other cases, the amount that is equal to (x) the fair market value of a single Ordinary Share as determined by an independent appraiser selected in good faith by the Holder and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company, multiplied by (y) ten (10).

Section 6. Miscellaneous.

a) No Rights as Shareholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a shareholder of the Company prior to the exercise hereof as set forth in Section 1(c)(i). In no event shall the Company be required to net cash settle an exercise of this Warrant.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a business day, then such action may be taken or such right may be exercised on the next succeeding business day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Ordinary Shares a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

e) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

f) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

g) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

h) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Ordinary Shares or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

i) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

j) Amendment. This Warrant may be modified or amended or the provisions hereof waived only with the written consent of the Company and the Holder.

k) Execution. This Warrant may be executed and delivered by facsimile transmission or by e-mail delivery of a ".pdf" or similar format data file, in which case such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" or similar format signature page were an original thereof.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

MYND.AI, INC.

By:	/s/: Arthur Giterman
Name:	Arthur Giterman
Title:	CEO & Director

NOTICE OF EXERCISE

TO: MYND.AI, INC.

(1) The undersigned hereby elects to purchase ________ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full).

(2) The Holder intends that payment of the Exercise Price shall be made as (check one):

☐ Cash Exercise

☐ “Cashless Exercise” under Section 3 of the Warrant (if applicable)

(3) If the Holder has elected a Cash Exercise, the Holder shall pay the sum of $______ in immediately available funds to the Company in accordance with the terms of the Warrant, together with all applicable transfer taxes, if any.

(4) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

____

(5) Accredited Investor. The undersigned is an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: ____
Signature of Authorized Signatory of Investing Entity: ____
Name of Authorized Signatory: ____
Title of Authorized Signatory: ____
Date: ____

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to exercise the Warrant to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: ____
(Please Print)

Address: ____
(Please Print)

Phone Number: ______________________________

Email Address: ______________________________

Dated: _______________ __, ______

Holder's Signature: _____________________

Holder's Address: ______________________

Exhibit 4.19

INVENTORY MANAGEMENT AND CONSULTANCY AGREEMENT

This Inventory Management and Consultancy Agreement ("Agreement") is entered into as of January 14, 2026 (“Effective Date"), between Promethean Limited, a company organized under the laws of England and Wales, and its affiliated group companies (collectively, "Promethean Group" or “Company”), and NetDragon Websoft Holdings Limited, a Cayman Islands company ("NetDragon").

RECITALS

WHEREAS, Promethean Group companies purchase hardware products from various suppliers including but not limited to TCL Overseas Marketing Limited and KTC (collectively,
“Suppliers”) for use in the Promethean Group companies business operations;

WHEREAS, NetDragon desires to assume initial payment responsibility for invoices issued by Promethean's hardware Suppliers in connection with products sold and delivered to Promethean Group companies;

WHEREAS, the parties wish to establish an arrangement whereby NetDragon will pay
Promethean’s Supplier invoices for inventory of Promethean Product that Promethean procures from such Suppliers after which NetDragon will invoice the Promethean Group company for reimbursement;

WHEREAS, the Promethean Group companies wish to engage NetDragon to provide certain consulting services related to Promethean’s supply chain including but not limited to the negotiation of more favorable pricing terms with Suppliers; and

WHEREAS, the parties desire to set forth their respective rights and obligations regarding such inventory management arrangements and consulting services;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. INVENTORY MANAGEMENT AND INVOICE PAYMENT OBLIGATIONS

1.1 NetDragon Payment Responsibility. NetDragon hereby agrees to be responsible for the payment of invoices issued by Promethean’s hardware Suppliers to Promethean Group companies for Promethean products sold and delivered to Promethean Group companies (“the Procured Inventory”), including but not limited to invoices from TCL Overseas Marketing Limited and KTC, subject to a revolving credit facility with an aggregate outstanding cap of US
$50 million (the “Credit Cap”). The Credit Cap represents the maximum aggregate amount
that NetDragon shall have outstanding to Suppliers at any given time. NetDragon’s payment obligation under this Agreement is strictly limited to amounts that fall within the Credit Cap. As Promethean Group companies reimburse NetDragon pursuant to Section 2.3, the available credit

under the Credit Cap shall be replenished by the amount of such reimbursement, allowing NetDragon to pay additional Supplier invoices up to the Credit Cap. NetDragon shall have no obligation to pay any Supplier invoice if such payment would cause the aggregate outstanding amount owed to all Suppliers to exceed the Credit Cap. Promethean Group companies acknowledge that they retain ultimate responsibility for managing the timing and volume of purchases to ensure that Supplier invoices do not exceed the Credit Cap.

1.2 Payment Terms to Suppliers. Upon receipt of each Supplier invoice, representatives of the applicable Promethean Group company and NetDragon shall review each invoice to confirm the invoice is valid and that no part of the invoice is disputed. Subject to confirmation by the applicable Promethean Group company that the Supplier's invoice is valid and undisputed, NetDragon shall pay each such Supplier invoice according to the payment terms set forth in each applicable supply agreement between the Promethean Group companies and each such Supplier. By way of example, NetDragon shall pay TCL Overseas Marketing Limited's invoices in accordance with the payment terms outlined in the Master Agreement for the Manufacture and Supply of Products dated November 18, 2020, which provide for payment on the later of (i) one hundred twenty (120) days following the end of the month in which the Promethean Group Company takes delivery of the Products, or (ii) one hundred twenty (120) days from the end of the month in which the invoice is received. For all other Suppliers, NetDragon shall pay invoices according to the specific payment terms negotiated in the applicable supply agreement between each such Supplier and the relevant Promethean Group company.

For the avoidance of doubt, NetDragon will comply with the specific payment terms as agreed between Promethean Group companies and each individual Supplier and will not unilaterally elect to pay any Supplier on different payment terms or otherwise attempt to unilaterally implement any uniform payment schedule across all Suppliers. Any change to payment terms with any individual Supplier must be agreed upon in advance and in writing between the Promethean Group companies and the applicable Supplier.

1.3 Timely Payment Obligation. NetDragon agrees to pay all Supplier invoices in a timely manner, on or before the due date of each such invoice, in accordance with the payment terms set forth in Section 1.2 above.

2. INVOICING PROCEDURES

2.1 Duplicate Invoicing and Payment Confirmation. Promethean Group companies shall instruct each Supplier to issue all invoices in duplicate to: (a) the Promethean Group Company that issued the Purchase Order relating to such invoice; and (b) NetDragon Websoft Holdings Limited. Upon receipt of any Supplier invoice, the applicable Promethean Group company shall review such invoice and, if the invoice is accurate and valid, provide NetDragon with written confirmation that: (i) the invoiced amount is accurate and correct; (ii) there are no disputed amounts or issues with the invoice; and (iii) the invoice is valid and ready for payment.
NetDragon's obligation to pay any Supplier invoice under Section 1 shall arise only upon receipt of such written confirmation from the applicable Promethean Group company, and NetDragon shall thereafter pay such invoice in a timely manner in accordance with the payment terms set forth in Section 1.2. If the applicable Promethean Group company does not provide written

confirmation or disputes any portion of an invoice, NetDragon shall have no obligation to pay such invoice or the disputed portion thereof unless and until the applicable Promethean Group company provides written confirmation that the dispute has been resolved and the invoice is ready for payment.

2.2 NetDragon Invoice to Promethean. Upon payment of any Supplier invoice pursuant to Section 1 above, NetDragon shall issue a corresponding invoice to the applicable Promethean Group Company for the amount paid to the Supplier, plus simple interest at a rate of three percent (3%) per annum, including reasonable documentation evidencing such payment. Interest shall be calculated from the date NetDragon actually makes payment to the Supplier to the date the applicable Promethean Group Company actually makes payment to NetDragon, on a 365-day year basis, pro-rated for the actual number of days outstanding. Interest shall accrue only on the principal amount actually paid by NetDragon to the Supplier and shall not accrue on any fees, charges, or other amounts. The interest provided for in this Section 2.2 constitutes NetDragon's sole compensation for financing Supplier payments under this Agreement (other than potential consulting fees under Section 9), and NetDragon shall not be entitled to charge or collect any additional financing fees, late payment charges, or other amounts in connection with its payment obligations hereunder.

2.3 Promethean Payment Terms. Promethean Group Companies shall pay each NetDragon invoice issued pursuant to Section 2.2 no later than three hundred sixty-five (365) days from the date the applicable Promethean Group Company receives such Procured Inventory into its warehouse from the Supplier.

3. NO RELEASE OF PAYMENT OBLIGATION

3.1 Default by NetDragon. If NetDragon fails to make any payment to a Supplier when due, such Supplier may provide written notice of such non-payment to the applicable Promethean Group company that issued the Purchase Order. Upon receipt of such notice, the Promethean Group company shall make the outstanding payment to the Supplier.

3.2 Right of Offset. In the event any Promethean Group company makes any payment to a Supplier pursuant to Section 3.1, the Promethean Group companies, collectively, shall have the right to offset such amount paid against any amounts owed by any Promethean Group company to NetDragon or to any direct or indirect NetDragon subsidiary company, under this Agreement or under any other agreement between the parties.

4. CONSIDERATION

4.1 Consideration. The parties acknowledge that NetDragon's agreement to assume initial payment responsibility to the Suppliers as described herein is given in consideration for Promethean Group's engagement of NetDragon to perform the consultancy services set forth herein.

5. COMPLIANCE REQUIREMENTS

5.1 CFIUS Compliance. NetDragon and Consultant each acknowledge that the Promethean Group companies and NetDragon are parties to, and operate under, a National Security Agreement ("NSA") with the Committee on Foreign Investment in the United States ("CFIUS"). NetDragon, Consultant and the Promethean Group company, Promethean Inc., each agree to comply with all applicable terms, conditions and restrictions set forth in the NSA to include but not be limited to those restrictions prohibiting the sharing of U.S. personal data with any person or entity within China including Hong Kong and Macau.

5.2 Anti-Bribery and Anti-Corruption Compliance. NetDragon and Consultant shall strictly comply with all applicable anti-bribery and anti-corruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act 2010, and any applicable local anti-corruption laws. Neither NetDragon nor Consultant shall, directly or indirectly, offer, pay, promise, or authorize the payment of money or anything of value to any government official, political party, or any other person for the purpose of obtaining or retaining business or securing more favorable purchase prices, trading terms or any other improper advantage. NetDragon or Consultant shall immediately notify the Promethean Group company's Chief Product Officer ("CPO") of any request for improper payments or any other conduct that may violate applicable anti-bribery laws.

6. PRESERVATION OF EXISTING TERMS

6.1 Supplier Agreements Unchanged. Notwithstanding NetDragon's responsibility for payment of invoices, all other terms and conditions of existing agreements between any Promethean Group company and each individual Supplier remain in full force and effect. Title to and delivery of the Procured Inventory will continue to transfer to the applicable Promethean Group company in accordance with the applicable Purchase Order, and all commercial relationships, product specifications, quality assurance, warranty obligations, and other contractual commitments remain in full force and effect, unchanged by this Agreement.

7. CONSULTANCY ENGAGEMENT AND SCOPE OF SERVICES

7.1 Engagement. Company hereby engages NetDragon, on an independent contractor basis, to provide supply chain consulting services as described in this Agreement. The parties agree that NetDragon may appoint its employee, Lin Wei, as a Consultant, to perform the Services (as defined below) under this Agreement. If NetDragon desires to appoint any other employee to perform the Services hereunder, NetDragon must have express written permission from the Company's CPO to make such alternate appointment. For the avoidance of doubt, references to "Consultant" herein shall refer collectively to Lin Wei, or any alternative NetDragon employee appointed by NetDragon, as provided for herein, to perform the Services.

7.2 Services. Consultant shall provide the following services ("Services"):

a) Meet with Company's Chinese-based Suppliers and original equipment manufacturers ("OEMs") on Company's behalf, in coordination with Company’s representatives and along-side members of Promethean’s procurement team;

b) Negotiate with such suppliers and OEMs to secure reductions in the per unit prices each Supplier charges the Company for Company's finished Products;

c) Analyze current supplier arrangements and identify cost reduction opportunities;

d) Provide regular reports to Company's CPO regarding negotiation progress and outcomes; and

e) Perform such other related services as may be mutually agreed upon in writing, from time to time, by and between the Consultant and the Company’s CPO.

7.3 Limitations on Authority. NetDragon and Consultant acknowledge and agree that:

a) Consultant has no authority to bind Company to any agreement, contract, or commitment;

b) Consultant shall not agree to any minimum order quantities, volume purchase commitments, or any other purchasing obligations that will cause any Promethean Group company to incur any additional costs unless NetDragon provides advanced written notice to the Company and obtains written agreement from Company for such commitments;

c) All negotiations must maintain current Products manufactured, assembled and delivered in accordance with current Product specifications;

d) Negotiations shall not include any agreement to compromise quality standards, or the replacement of any component parts for less expensive or lower quality component parts within finished Company Products;

e) Any cost savings proposals must be based upon current Company Product specifications without compromise to component quality;

f) Final approval of all supplier arrangements remains solely with Company; and

g) All final decisions regarding the Services, negotiations, supplier arrangements and per unit pricing for Company Products must be made in writing by the Company's CPO.

7.4 Reporting Requirements. Consultant shall provide written reports to Company's CPO as reasonably requested by the CPO, detailing all meetings, negotiations, proposals, and progress made in connection with the Services.

8. INDEPENDENT CONTRACTOR RELATIONSHIP

8.1 Independent Contractor Status. Consultant is, and at all times during performance of the Services will be, an independent contractor and not an employee, agent, partner, or joint venturer of Company or any of its subsidiaries or affiliates, including Mynd.ai, Inc.

8.2 Representation Limitations. Consultant shall not hold itself out as an employee of Company, Mynd.ai, Inc., or any of their respective subsidiaries or affiliates. Lin Wei, as an employee of NetDragon, may present himself as a key advisor or key consultant to Company's CPO when conducting Services under this Agreement.

8.3 No Employee Benefits. Consultant shall not be entitled to any Promethean Group company employee benefits, including but not limited to health insurance, retirement benefits, vacation pay, social fund contributions, housing fund contributions or sick leave.

9. COMPENSATION

9.1 Performance-Based Compensation. Consultant compensation under this Agreement, if any, is contingent upon Consultant achieving Five Million U.S. Dollars (US $5,000,000.00) or any other amount that mutually agreed in cumulative cost savings over each calendar year during the Term (including the Initial Term and any Renewal Terms) by reducing the per Product unit prices outlined in the applicable Schedule for that calendar year (the "Cost Reduction Target"). Prior to January 1 of each calendar year during the Term, Promethean shall provide Consultant with a new Product Pricing Schedule setting forth: (i) the current per-unit Product pricing baseline as determined by Promethean (and reviewed with NetDragon), and (ii) the Cost Reduction Target for that calendar year, which shall be Five Million U.S. Dollars (US $5,000,000.00) or any other amount that mutually agreed . For the avoidance of doubt, cost savings or lower price per unit prices based on increased purchase volumes or quantities of units purchased by Company will not be counted toward the Cost Reduction Target. The Cost Reduction Target must be achieved through negotiated reductions to the per Product unit pricing outlined in the applicable Schedule. If Promethean does not provide a new Schedule by January 1 of any calendar year, the immediately preceding year's Schedule shall continue to apply for that calendar year, and Consultant shall remain obligated to achieve the Cost Reduction Target set forth therein. Consultant's failure to achieve the Cost Reduction Target for any calendar year during the Term shall result in the offset rights set forth in Section 9.2 applying for that calendar year.

9.2 Compensation Terms. If Consultant achieves the Cost Reduction Target for any calendar year during the Term, NetDragon shall compensate Lin Wei pursuant to a separate agreement between NetDragon and Lin Wei. Promethean Group companies acknowledge this internal arrangement between NetDragon and Lin Wei but shall have no obligation to pay any compensation to Consultant or Lin Wei, nor shall Promethean Group companies be required to know or approve the terms of such separate agreement. If Consultant fails to achieve the Cost Reduction Target for any calendar year during the Term, Promethean Group companies shall be entitled to a credit (the "Performance Credit") equal to all interest paid by any Promethean

Group company to NetDragon under Section 2.2 during that calendar year. For the avoidance of doubt, if Consultant achieves any cost savings less than the full Cost Reduction Target of Five Million U.S. Dollars (US $5,000,000.00) or any other amount that is mutually agreed for any calendar year, Promethean Group companies shall have the right to set off, recoup, or deduct the shortfall of the Cost Reduction Target, but in any circumstance such set off shall not exceed the Performance Credit from any amounts owed by any Promethean Group company to NetDragon or any of NetDragon's direct or indirect subsidiaries, whether under this Agreement or any other agreement between the parties. This setoff right shall apply on an annual basis for each calendar year during the Term and shall survive termination of this Agreement.

9.3 Expenses. Each party hereto shall be responsible for their own travel, administrative and other related costs and expenses incurred during the performance of this Agreement. For the avoidance of doubt, no party hereto shall have any reimbursement obligation to the other party for any travel, administrative or other related expenses incurred during the performance of the Services or obligations set forth herein.

10. CONFIDENTIALITY

10.1 Confidential Information. Consultant acknowledges that in performing the Services, Consultant may have access to confidential and proprietary information of Company, including but not limited to supplier information, pricing data, product specifications, business strategies, and financial information ("Confidential Information").

10.2 Non-Disclosure. Consultant agrees to maintain the confidentiality of all Confidential Information and not to disclose such information to any third party without Company's prior written consent.

10.3 Survival. The confidentiality and non-disclosure obligations set forth herein shall survive termination of this Agreement.

11. TERM AND TERMINATION

11.1 Term. This Agreement shall commence on the Effective Date and shall continue for an initial term of three (3) years from the Effective Date (the "Initial Term"). Following the expiration of the Initial Term, this Agreement shall automatically renew for successive one (1) year periods (each, a "Renewal Term"), unless earlier terminated in accordance with this Agreement. Notwithstanding the Initial Term or any Renewal Term, either party may terminate this Agreement at any time, for any reason or no reason, upon providing the other party with at least six (6) months' prior written notice of termination. Any termination pursuant to this Section 11.1 shall be subject to the provisions of Section 11.3 regarding the effect of termination and accrued payment obligations.

11.2 Termination. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' prior written notice to the other party, provided that such

termination shall not affect any payment obligations that have accrued prior to the effective date of termination.

11.3 Effect of Termination. Upon termination of this Agreement, NetDragon's payment obligations hereunder shall cease prospectively, but NetDragon shall remain liable for any Supplier invoices delivered to NetDragon by any Supplier on or before the effective date of termination / for which NetDragon has assumed responsibility prior to the effective date of termination.

12. REPRESENTATIONS AND WARRANTIES

12.1 Authority. Each party represents and warrants that it has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

12.2 Financial Capacity. NetDragon represents and warrants that it has sufficient financial resources to meet its payment obligations under this Agreement.

13. INDEMNIFICATION

13.1 NetDragon Indemnification. NetDragon shall indemnify and hold harmless the Promethean Group companies, individually and collectively, from and against any losses, damages, or expenses arising from (i) NetDragon's failure to pay Supplier invoices in accordance with the terms of this Agreement, (ii) the performance of the Services as described herein, or (iii) any breach of any terms and conditions as set forth herein.

13.2 Promethean Indemnification. Promethean Group companies shall indemnify and hold harmless NetDragon from and against losses, damages, or expenses arising directly from and solely attributable to (i) disputes between any Promethean Group company and Suppliers relating specifically to product quality defects, product specification non-conformance, or delivery failures, but only to the extent such disputes result in Suppliers seeking payment or reimbursement from NetDragon for amounts NetDragon has already paid to such Suppliers on behalf of Promethean Group companies, or (ii) material breaches by any Promethean Group company of the express terms of its supply agreements with Suppliers, but only to the extent such breaches directly cause Suppliers to seek recourse against NetDragon for amounts NetDragon has paid to such Suppliers on behalf of Promethean Group companies. Notwithstanding the foregoing, Promethean Group companies' indemnification obligations under this Section 13.2 are expressly limited as follows: (a) such indemnification shall not exceed the actual amounts paid by NetDragon to the applicable Supplier on behalf of the applicable Promethean Group company in connection with the specific transaction giving rise to the claim, and shall exclude any consequential, indirect, incidental, punitive, or special damages;
(b) such indemnification shall not apply to any losses arising from or relating to NetDragon's failure to pay Supplier invoices in accordance with the payment terms set forth in Section 1.2, NetDragon's breach of any provision of this Agreement, disputes regarding pricing negotiations or payment terms between any party and any Supplier, or any actions, advice, or conduct of

NetDragon, Lin Wei, or any other NetDragon personnel; (c) NetDragon must provide Promethean Group companies with prompt written notice of any claim and must reasonably
cooperate with Promethean Group companies' defense of such claim; (d) Promethean Group companies shall have the sole right to control the defense and settlement of any such claim, and NetDragon shall have no obligation to be indemnified hereunder if NetDragon settles any claim without the prior written consent of the applicable Promethean Group company; and (e) this indemnification obligation shall apply only to third-party claims and not to disputes directly between NetDragon and any Promethean Group company. For the avoidance of doubts, Promethean Group Companies shall indemnify NetDragon for Supplier claims to the extent NetDragon acted in reliance on Promethean Group Companies' written confirmation under Section 2.1 and paid in accordance with Section 1.2.

14. GENERAL PROVISIONS

14.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of England and Wales, without regard to conflict of law principles.

14.2 Dispute Resolution. (a) Informal Resolution. Prior to initiating any formal dispute resolution proceedings, any party asserting a dispute arising out of or relating to this Agreement shall provide written notice to the other party describing in reasonable detail the nature of the dispute and the relief sought. Following such notice, senior executives of both parties shall meet and negotiate in good faith for a period of thirty (30) days to attempt to resolve the dispute informally. No party may commence arbitration proceedings until the expiration of such thirty
(30) day period, and compliance with this informal resolution process shall be a condition precedent to arbitration. Notwithstanding the foregoing, the thirty (30) day informal resolution period shall not toll or suspend any payment obligations, performance deadlines, or other time-sensitive obligations under this Agreement, and all parties shall continue to perform their respective obligations hereunder during the pendency of any dispute. (b) Arbitration. Any dispute that cannot be resolved through the informal process set forth above shall be finally resolved by binding arbitration conducted in London, England, in the English language under the Rules of the London Court of International Arbitration (LCIA) then in effect. The arbitration shall be conducted before a single arbitrator selected in accordance with the LCIA Rules. The arbitration proceedings and award shall be confidential. The arbitrator shall apply English law in resolving the dispute. Any award rendered by the arbitrator shall be final and binding upon the parties and judgment upon such award may be entered in any court having jurisdiction thereof.
(c) Attorneys' Fees and Costs. The prevailing party in any arbitration or court proceeding shall be entitled to recover its reasonable attorneys' fees, costs, and expenses from the non-prevailing party. (d) Equitable Relief. Notwithstanding the foregoing dispute resolution procedures, Promethean Group companies may seek injunctive relief, specific performance, or other equitable remedies from any court of competent jurisdiction without first complying with the informal resolution requirements set forth above, (e) Continued Performance. During the pendency of any dispute resolution proceedings, both parties shall continue to perform their
respective obligations under this Agreement, including without limitation NetDragon's payment obligations to Suppliers and Promethean Group companies' reimbursement obligations to NetDragon.

14.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, or agreements relating to such subject matter.

14.4 Amendment. This Agreement may only be amended by written agreement signed by both parties.

14.5 Severability. If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

14.6 Assignment. NetDragon may assign this Agreement to any direct or indirect subsidiary including, but not limited to, Elernity Limited, upon written notice to Promethean Group companies, provided that such subsidiary assumes all of NetDragon's obligations under this Agreement. NetDragon may not assign this Agreement to any other party without the prior written consent of the Promethean Group companies. The Promethean Group companies may assign this Agreement to any affiliate or successor.

14.7 Notices. All notices under this Agreement shall be in writing and delivered to the headquarters or main address of each of the undersigned parties, or another address as may be designated by any undersigned company, from time to time, by written notice to the other party or parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PROMETHEAN LIMITED

By: /s/ Arthur Giterman
Name: Arthur Giterman
Title: CEO & Director

NETDRAGON WEBSOFT HOLDINGS LIMITED

By: /s/ Simon Leung
Name: Simon Leung
Title: Vice Chairman

Exhibit 4.20

INDEPENDENT DIRECTOR COMPENSATION POLICY

ADOPTED: DECEMBER 13, 2023

AMENDED: MARCH 17, 2026

Each member of the Board of Directors (the "Board") of Mynd.ai, Inc. (together with its affiliates, the "Company") who is not an employee of the Company (each, a "Director") shall receive compensation in accordance with this Independent Director Compensation Policy (this "Policy"), as it may be amended by the Board from time to time, during such Director's period of service as a member of the Board. References to "$" in this Policy are to United States Dollars.

Cash Compensation:

Annual Cash Retainer. $40,000 per calendar year. An additional $29,000 per calendar year if a Director serves as Chairperson of the Board.

Committee Member Retainers. $10,000 per calendar year while a Director serves on the Audit Committee of the Board; $7,500 per calendar year while a Director serves on the Compensation & Benefits Committee of the Board; and $5,000 per calendar year while a Director serves on the Nominating & Corporate Governance Committee of the Board, *provided*, that a Director will not receive a Committee Member Retainer for service on a committee if such Director receives a Committee Chair Retainer for such committee during the same calendar year.

Committee Chair Retainers. $20,000 per calendar year while a Director serves as Chairperson on the Audit Committee of the Board. $14,000 per calendar year while a Director serves as Chairperson on the Compensation & Benefits Committee of the Board. $10,000 per calendar year while a Director serves as Chairperson on the Nominating & Corporate Governance Committee of the Board.

Lead Independent Director Retainer. $15,000 per calendar year while a Director serves as the Lead Independent Director of the Board.

Payment Timing. All retainers are payable in four equal quarterly installments in cash, delivered as soon as practicable following the last day of the applicable quarter, but in no event later than 30 days following the end of the applicable quarter. All retainers are subject to a Director's continued service through the applicable payment date.

Equity Compensation:

Annual Equity Retainer. An annual grant of restricted stock units ("RSUs") pursuant to the Mynd.ai, Inc. Equity Incentive Plan (the "Equity Plan") with a grant date fair value of $150,000 (or $225,000 for the Chairperson of the Board) and subject to the terms of the Equity Plan and an Award Agreement thereunder. These RSUs will vest over a three-year period, with one-third of the RSUs vesting on the first anniversary of the grant date, and the remaining two-thirds of the RSUs vesting in eight equal quarterly installments thereafter. The annual equity retainer will be pro-rated for any partial year of service, including in the year of a Director's initial election, if applicable.

Initial Equity Grant. Upon initial appointment to the Board, a grant of RSUs pursuant to the Equity Plan with a grant date fair value of $300,000 and subject to the terms of the Equity Plan and an Award Agreement thereunder, *provided*, that if a Director is appointed as Chairperson of the Board, the grant date fair value of such RSUs shall be $500,000. These RSUs vest over a two-year period, with half of these RSUs vesting on the first anniversary of the grant date, and the remaining half of the RSUs vesting in four equal quarterly installments thereafter.

Shares resulting from the settlement of RSUs will be issued as determined by the Company for administrative convenience, but in all events by March 15 of the calendar year following the calendar year in which the applicable vesting date occurred. All equity grants are subject to a Director's continued service through the applicable vesting date.

Expenses:

The Company will reimburse a Director for all travel expenses reasonably incurred by such Director in the proper performance of such Director's obligations to the Company as a Director, provided that such Director supplies receipts or other evidence of such expenditures in a timely manner in accordance with the Company's policies. A Director's expenses may include legal fees if it is necessary in the furtherance of such Director's duties for such Director to seek independent legal advice (provided that allegations of actual fraud, gross negligence or willful misconduct have not been finally determined against such Director), subject to such Director having first notified the Board. Any such payment by the Company is subject to Company policies any applicable restrictions under applicable law and the amended and restated articles of association of the Company.

Taxes:

Directors are responsible for all taxes arising from any payments made pursuant to the terms of this Policy and the Company will not withhold taxes with respect to such payments.

Insurance & Indemnification:

Insurance. The Company has an insurance policy under which Directors are insured, subject to the limits of the policy and applicable law, against certain losses arising from claims that may be made against a Director by reason of any acts or omissions covered under the policy in such Director's capacity as a director of the Company, including certain liabilities under securities laws.

Indemnification. The Company has entered and will enter into an indemnification agreement with each Director that provides contractual rights to indemnification, to the fullest extent permitted under applicable law and the amended and restated articles of association of the Company, and subject to the terms set forth in those agreements.

Share Ownership Guidelines:

Directors are subject to any applicable share retention policy or guidelines adopted by the Company from time to time, in accordance with the terms of such policy or guidelines.

Exhibit 8.1

List of Principal Subsidiaries

Name of Subsidiary	**Place of Incorporation**
Elmtree Inc.	Cayman Islands
Elernity (Thailand) Co., Limited	Thailand
Promethean World Limited	England and Wales
Chalkfree Limited	England and Wales
Promethean (Holdings) Limited	England and Wales
Promethean Inc.	Delaware, USA
Promethean Technology (Shenzhen) Limited	China
Promethean Poland sp z.o.o.	Poland
Promethean Limited	England and Wales
Promethean GmbH	Germany
Promethean Solutions LLP	India

Exhibit 12.1

Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Arthur Giterman, certify that:

1. I have reviewed this annual report on Form 20-F of Mynd.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 company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) 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 company 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 company, 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 company'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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company's ability to record, process, summarize and report financial information; and
   (a) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 28, 2026

By: /s/ Arthur Giterman

Name: Arthur Giterman

Title: Chief Executive Officer

Exhibit 12.2

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Arthur Giterman, certify that:

1. I have reviewed this annual report on Form 20-F of Mynd.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 company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) 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 company 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 company, 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 company'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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company's ability to record, process, summarize and report financial information; and
   (a) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 28, 2026

By: /s/ Arthur Giterman

Name: Arthur Giterman

Title: Chief Financial Officer

Exhibit 13.1

Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Mynd.ai, Inc. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Arthur Giterman, Chief Executive Officer of the Company, 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 Company.

Date:	May 28, 2026
By:	/s/ Arthur Giterman
Name:	Arthur Giterman
Title:	Chief Executive Officer

Exhibit 13.2

Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Mynd.ai. Inc. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Arthur Giterman, Chief Financial Officer of the Company, 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 Company.

Date: May 28, 2026

By: /s/ Arthur Giterman

Name: Arthur Giterman

Title: Chief Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-278480 on Form S-8 and Registration Statement No. 333-280853 on Form F-3 of our report dated May 28, 2026, relating to the financial statements of Mynd.ai, Inc. appearing in this Annual Report on Form 20-F for the year ended December 31, 2025.

/s/ DELOITTE & TOUCHE LLP

Seattle, Washington

May 28, 2026