



SECOND QUARTER PROGRESS REPORT
Q2 2026 BUSINESS & RESEARCH UPDATE
JULY 2ND 2026

INTRODUCTION

Percept AGI continues to make steady progress toward its long-term vision of developing secure, privacy-focused artificial intelligence systems that operate with minimal external dependencies. Although we remain an early-stage, pre-revenue company, our engineering and research efforts have accelerated across multiple disciplines, including artificial intelligence, mathematical optimization, hardware development, and localized computing. Our organization currently consists of fewer than five core contributors, each pursuing independent technical initiatives while contributing to the company's shared mission. This structure has enabled rapid experimentation, specialized research, and parallel development, strengthening our long-term goals. During this quarter, significant effort has been invested in foundational work that will improve future products rather than into the production of short-term feature releases.

DEVELOPMENTS FOCUSED ON OUR USER EXPERIENCE

Software development this quarter has primarily focused on optimizing frontend. Our GUI developer has put incredible efforts into experimenting with adaptive user interfaces, integrating 3D predictive models for non-verbal communication, task organization to learn user workflow and increase productivity, custom toy architectures for visual and text-based semantic analysis, among many other experimental feature extraction models for improving the quality of input analysis. This not only improves the user experience, but strengthens the underlying architecture supporting future AI products, reducing unnecessary external software dependencies and improving privacy, transparency, and maintainability. We plan to continue these developments going into the next quarter.

PARTNERSHIP IN THE DEVELOPMENT OF HARDWARE DESIGNS

In order to develop a more privatized model with a higher level of propriety, we have been working with individuals in other disciplines to understand how to develop hardware for a more secure and localized environment. In conjunction with these efforts, the company will look, as it obtains larger funding, to develop a chip program for creating completely air-gapped systems. This initiative will not only allow us to aid in the developments of more secure computer chips but offer greater transparency on the hardware level with our primary partner's open-source philosophy. This allows another



level of security to be obtained from our systems that we hope to bring to the consumer market.

RESEARCH INTO EFFICIENT ALGORITHMS FOR DATA PROCESSING

Development into the back-end models for data processing took a different route this quarter. Time was taken out to learn more about the abstract algorithms and theoretical mathematics behind the actual development of the artificial neural nodes in machine learning. During this time, a new technique was discovered for optimizing the efficiency of geometric modeling and research began into more clearly defining these new methods. We plan to optimize our own algorithms and test how our models perform in comparison to our competitors with these findings and to publish the theoretical technique to improve work being done across a multitude of fields that would benefit from this breakthrough in dimensional analysis.

ANNOUNCEMENT FOR OUR DEBUT MODEL: SAGE

In addition to all the research and development that was accomplished during this pre-revenue quarter, we have been working on the development of our first working prototypes and decided the direction we want to go for our launch. SAGE is a lite model based on an API call that allows users to interact with AI in a unique way. SAGE offers non-verbal communication methods for users who struggle with text-based communication that happens with many traditional models. SAGE also offers great companionship and positive advice to users and can act as a great sounding board for ideas and other abstract concepts. SAGE interacts primarily through visual and auditory interaction rather than text-based messaging. SAGE offers a more personal user experience and serves a different purpose from other models in being designed for companionship via communication through a more naturalized human-to-computer interface that removes a lot of barriers in AI comprehension and perception of user inquiries. SAGE will be available through the Percept AGI website as a SaaS with a free-trial limit.

NEW DEBUT RELEASE DATE

After much careful consideration, based off the complexity of the systems we currently have under development, our AGI launch model, SAGE, will be released on September 21st of 2027 with a high potential for early release. We will be showing demos on our website of SAGE as we move into the four quarter of 2026, and introducing our other AGI models moving into the second quarter of 2027.

Removing inherited software dependencies remains our largest engineering effort as so many of the systems on the market utilize a plethora of dependencies. Because of the security and safety gained from a controlled and well programmed system, we consider this investment essential despite its impact on our development timelines. We believe in developing a quality product to our consumers.



STRATEGIC OUTLOOK

Percept AGI remains committed to privacy by design, responsible AI development, local-first computing, independent research, hardware-software integration, computational efficiency, and transparent engineering. As a part of that mission's focus on ethical AGI development, we are focused on the production of clean energy to power these systems and will look to being announcing our plans for generator and reactor developments to power our systems and many others. We will look to discuss our plans for production of power systems moving into the third or fourth quarter of this year.

CLOSING REMARKS

The second quarter represented meaningful progress across engineering, research, and platform development. This quarter also represented disciplined and decisive decision-making needed to guarantee the successful progression of this technology. We appreciate the continued support of our community, collaborators, researchers, and prospective partners as we look to bring you the technology of the future.

Angela Trainor
Founder & Chief Executive Officer
PerceptAGI
July 2026