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

FORM 8-K/A
(Amendment No. 1)

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

Date of Report (Date of earliest event reported): **June 23, 2025 (May 20, 2025)**

DATAVAULT AI INC.
(Exact name of registrant as specified in its charter)

Delaware	001-38608	30-1135279
(State or other jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

15268 NW Greenbrier Pkwy
Beaverton, OR — **97006**
(Address of registrant's principal executive office) (Zip code)

(408) 627-4716
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	DVLT	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☐

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

EXPLANATORY NOTE

This Current Report on Form 8-K/A (this "Amendment No. 1") is being filed to amend and supplement "Item 9.01 - Financial Statements and Exhibits," included in the initial report on Form 8-K filed by Datavault AI Inc. (the "Company") on May 20, 2025 (the "Initial Filing").

In the Initial Filing, in connection with the acquisition of certain assets of CompuSystems, Inc. ("CSI"), the Company stated that the financial statements and the unaudited pro forma financial information of the acquired business required to be filed under Item 9.01 of Form 8-K would be filed by amendment no later than 71 days following the date that the Initial filing was required to be filed. Accordingly, this Amendment No. 1 amends Item 9.01 of the Initial Filing solely to include the financial statements and pro forma financial information required to be filed under Item 9.01 of Form 8-K, which are filed as exhibits hereto. The information previously reported on the Initial Filing is incorporated by reference into this Amendment No. 1. Except as provided herein, the disclosures included in the Initial Filing remain unchanged.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired. The audited financial statements of CSI for the years ended December 31, 2024 and 2023, including the notes to such financial statements and the report of independent auditors thereon, are filed as Exhibit 99.1 to this Amendment No. 1 and incorporated into this Item 9.01(a) by reference. The unaudited financial statements for the three months ended March 31, 2025 and 2024, including the notes to such financial statements, are filed as Exhibit 99.2 to this Amendment No. 1 and incorporated into this Item 9.01(a) by reference.

(b) Pro Forma Financial Information. The unaudited pro forma condensed consolidated financial information of the Company required by this item is filed as Exhibit 99.3 to this Amendment No. 1 and is incorporated into this Item 9.01(b) by reference.

(d) Exhibits

Exhibit No.	Description
23.1	Consent of Independent Certified Public Accountants.
99.1	Financial Statements of CompuSystems, Inc. for the Years Ended December 31, 2024 and 2023.
99.2	Financial Statements of CompuSystems, Inc. for the Three Months Ended March 31, 2025 and 2024.
99.3	Unaudited Pro Forma Condensed Consolidated Financial Information of Datavault AI Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

Date: June 23, 2025

DATAVAULT AI, INC.

By: /s/ Nathaniel Bradley
Name: Nathaniel Bradley
Title: Chief Executive Officer

Exhibit 23.1

BG ADVISORS CPA

1775 Legacy Circle
Naperville, IL 60563

Consent of Independent Auditor

We consent to the use of our report dated March 19, 2025, on the financial statements of CompuSystems, Inc., which comprise the balance sheets as of December 31, 2024 and 2023, and the related statement of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements, which is included in this Form 8-K of Datavault AI, Inc (Formerly WiSA Technologies, Inc.)

We also consent to the incorporation by reference of such report in the Registration Statements on Form S-1 (No.'s 333-237516, 333-239750, 333-268085, 333-269777, 333-271526, 333-272278, 333-274155, 333-274331, 333-280238), Form S-3 (No.'s 333-251177, 333-239845, 333-234787, 333-233433, 333-254535, 333-257776, 333-267211, 333-268231, 333-278622, and 333-284657) and Form S-8 (Nos. 333-253339, 333-261040, 333-265060, 333-228327, 333-271520, 333-274154, 333-279730, 333-283118 and 333-285154 (filed on February 24, 2025))

BG ADVISORS CPA, LTD

Naperville, IL

March 27, 2025

1775 Legacy Circle | Naperville, IL 60563 | Tel: 630-505-1081 | Fax: 630-505-1083 |
Email: sachin.gandhi@bgadvisorscpa.com

Exhibit 99.1

COMPUSYSTEMS, INC.

Financial Statements and
Independent Auditor's Report

December 31, 2024 and 2023

COMPUSYSTEMS, INC.

CONTENTS

December 31, 2024 and 2023

BG ADVISORS CPA

INDEPENDENT AUDITOR'S REPORT

To the Stockholders
CompuSystems, Inc.
Lisle, Illinois

Opinion

We have audited the accompanying financial statements of CompuSystems, Inc. (CSI), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CompuSystems, Inc. as of December 31, 2024 and 2023, and the results of operations and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CompuSystems, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Recurring Operating Losses and Capital Deficiency

CompuSystems, Inc. has suffered recurring losses from operations and has a net capital deficiency. As discussed in Note 8 to the financial statements, on December 19, 2024, CSI entered into an asset purchase agreement whereby substantially all of CSI's assets will be sold to another party with a closing date no later than March 31, 2025. The financial statements do not include any adjustments that might result from this pending sale. Our opinion is not modifed with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CompuSystems, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CompuSystems, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CompuSystems, Inc.'s ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CompuSystems, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

BG ADVISORS CPA, LTD

Naperville, Illinois
March 19, 2025

COMPUSYSTEMS, INC.

BALANCE SHEETS

December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	$ 190,768	$ 355,205
Accounts receivable, net	545,481	373,965
Unbilled receivables	128,548	171,553
Materials inventory	114,747	199,383
Prepaid expenses and other	120,786	445,812
Total current assets	1,100,330	1,545,918
RIGHT-OF-USE ASSETS	711,481	813,335
PROPERTY AND EQUIPMENT, NET	2,904,093	2,446,250
OTHER ASSETS	133,900	133,400
Deposits		
Total other assets	133,900	133,400
TOTAL ASSETS	$ 4,849,804	$ 4,938,903
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 444,548	$ 885,865
Accrued expenses	2,756,832	2,274,746
Customer deposits and allowances	177,853	131,404
Line of credit	1,750,000	2,000,000
Current maturities of long-term debt	1,183,101	1,883,096
Operating lease liabilities, current portion	334,459	282,530
Loan from shareholder	1,033,000	-
Total current liabilities	7,679,793	7,457,641
LONG-TERM LIABILITIES		

Operating lease liabilities, net of current portion	377,022	530,805
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, no par value, 1,000,000 shares authorized, 362,500 shares issued and 312,500 shares outstanding	-	-
Paid-in-capital	4,160,000	4,160,000
Accumulated deficit	(7,024,243)	(6,866,775)
Less treasury stock, at cost	(342,768)	(342,768)
Total stockholders' equity (deficit)	(3,207,011)	(3,049,543)
TOTAL LIABILITIES AND NET ASSETS	$ 4,849,804	$ 4,938,903

See accompanying notes to financial statements.

COMPUSYSTEMS, INC.

STATEMENTS OF OPERATIONS

Nine Months Ended December 31, 2024 and 2023

	2024	2023
SALES		
Registration	$ 4,204,353	$ 4,572,563
Exhibitor software	7,314,423	7,729,348
Total sales	11,518,776	12,301,911
COST OF SALES	8,351,646	8,942,089
GROSS PROFIT	3,167,130	3,359,822
OPERATING EXPENSES		
Sales and marketing	1,078,162	1,441,653
General and administrative	1,610,257	1,613,584
Depreciation and amortization	1,007,637	2,180,630
Total operating expenses	3,696,056	5,235,867
OPERATING INCOME (LOSS)	(528,926)	(1,876,045)
OTHER INCOME (EXPENSE)		
Interest expense	(352,905)	(243,192)
Loss on impairment of capitalized software (Note 7)	-	(1,614,487)
Exclusivity fee (Note 8)	1,000,000	-
Litigation and other (Note 7)	(275,637)	(428,407)
Total other income (expense)	371,458	(2,286,086)
NET LOSS	$ (157,468)	$ (4,162,131)

See accompanying notes to financial statements.

COMPUSYSTEMS, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Nine months ended December 31, 2024 and 2023

	Common Stock	Paid-In Capital	Treasury Stock	Accumulated Deficit	Total
Balance at January 1, 2023	$ -	$ 4,160,000	$ (342,768)	$ (2,704,644)	$ 1,112,588
Net loss	-	-	-	(4,162,131)	(4,162,131)
Balance at December 31, 2023	$ -	$ 4,160,000	$ (342,768)	$ (6,866,775)	$ (3,049,543)
Balance at January 1, 2024	$ -	$ 4,160,000	$ (342,768)	$ (6,866,775)	$ (3,049,543)
Net loss				(157,468)	(157,468)
Balance at December 31, 2024	$ -	$ 4,160,000	$ (342,768)	$ (7,024,243)	$ (3,207,011)

See accompanying notes to financial statements.

COMPUSYSTEMS, INC.

STATEMENTS OF CASH FLOWS

Nine Months Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ (157,468)	$ (4,162,131)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	1,007,637	2,180,630
Loss on impairment of capitalized software	-	1,614,487
(Increase) decrease in:		
Accounts receivables	(171,516)	1,353,069
Unbilled receivables	43,005	26,671
Materials inventory	84,636	20,908
Prepaid expenses, depostis and other	324,526	(258,876)
Increase (decrease) in		
Accounts payable	(441,317)	213,929
Accrued expenses and other	482,086	45,962
Customer deposits and allowances	46,449	(528,364)
Total adjustments	1,375,506	4,668,416
Net cash from operating activities	1,218,038	506,285
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(261,252)	(79,696)
Development in progress, customized software	(1,204,228)	(1,340,926)
Net cash used in investing actvities	(1,465,480)	(1,420,622)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on revolving line of credit	(250,000)	1,500,000
Payments on long-term debt	(699,995)	(273,556)
Debt proceeds	1,033,000	-
Payment to shareholder for convertible debt	-	(225,000)
Net cash from financing actvities	83,005	1,001,444
NET INCREASE (INCREASE) IN CASH	(164,437)	87,107
CASH, BEGINNING OF PERIOD	355,205	268,098
CASH, END OF PERIOD	$ 190,768	$ 355,205
Supplemental disclosure of cash flow information Cash payments for interest	$ 352,905	$ 243,192

See accompanying notes to financial statements.

COMPUSYSTEMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

1. **NATURE OF OPERATIONS**

CompuSystems, Inc. (CSI), incorporated on July 20, 1976 under the Illinois business corporation act of 1933, provides registration, lead collection, and ancillary data processing services to the meeting, convention and tradeshow industry. CSI conducts business throughout the United States, and in Europe and Asia.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting and Presentation

The financial statements are prepared on the accrual basis of accounting whereby revenues and assets are recognized when earned, and expenses and liabilities are recognized when incurred.

Cash

Cash consists of demand deposits in financial institutions that include balances the exceed federally insured limits. CSI has not experienced any losses on such accounts and its managment does not believe it is exposed to significant risk.

Allowance for Credit Losses

CSI grants trade credit to its customers located within and outside of the United States of America. The allowance for credit losses is an estimate based on CSI's historical collection experience. Such allowances were $108,568 and $128,568 as of December 31, 2024 and 2023, respectively.

Unbilled Receivables

Unbilled receivables consist of costs incurred for future shows in excess of billing realized.

Materials Inventory

Materials inventory is stated at the lower of cost (determined under the first-in, first-out method) or market.

Property and Equipment

Property and equipment is recorded at cost. Depreciation is provided using straight-line and accelerated methods over the estimated useful lives of assets ranging from from 3 to 15 years.

CSI capitalizes in-house and contracted costs related to the design, development, and implementation of computer software marketed to clients and to exhibitors and registrants attending client events. Such capitalized costs are amortized over a three-year term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Customer Deposits and Allowances

Customer deposits and allowances consists of remittances for future shows. Such deposits are applied to revenue in the period in which the show occurs, or refunded.

Revenue Recognition

Revenue is primarily from the sale of products, services, and digital assets, including software, applications, technology solutions, lead generation, customer support, and event-related activities. Revenue is recognized once service or product is invoiced and delivered, all typically within one year. Additional revenue is derived from rental income, physical goods sales, and other sources.

Leases

Effective January 1, 2022, CSI implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No 2016-02, Leases (Topic 842), which requires the recognition of right-of-use assets and lease liabilities based on the present value of the remaining lease payments. A risk-free rate of return of 3.39% was used as the discount rate in order to determine present value.

Income Taxes

CSI has elected to be taxed as an S corporation under the provisions of the Internal Revenue Code. Under these provisions, the company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income tax on their respective share of the CSI's taxable income. CSI is subject to other various state and franchise taxes in states in which operations are conducted.

CSI evaluates all significant tax positions for federal and state income tax purposes. As of December 31, 2024 and 2023, CSI does not believe it has taken any positions that would require the recording of any additional tax liability.

CSI is subject to routine audits by taxing jurisdictions. Tax years that remain open for examination generally include the current and threee preceding years, however, there are currently no audits for any tax periods in progress. CSI's policy is to classify income tax related interest and penalities in interest expense and other expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consists of:

	2024	2023
Production equipment and lead collection devices	$ 1,246,181	$ 984,928
Customized software	8,286,469	7,082,242
Office furniture, fixtures, and equipment	29,007	29,007
Leasehold improvements	115,283	115,283
Transportation equipment	28,237	28,237
Total property and equipment	9,705,177	8,239,697
Less accumulated depreciation and amortization	(6,801,084)	(5,793,447)
Property and equipment, net	$ 2,904,093	$ 2,446,250

Depreciation and amortization expense for the years ended December 31, 2024 and 2023 was $1,007,637 and $2,180,630, respectively.

4. REVOLVING LINE OF CREDIT AND TERM LOAN

CSI maintains a $2,000,000 revolving line of credit (LOC) that originated in March 1, 2021, has a one-year term, is secured by a Blanket UCC Lien on all business assets, and has an interest rate equal to the prime rate as published in the Wall Street Journal plus one percent (which was 8.50% as of December 31, 2023) and has been periodically renewed. Effective October 31, 2024, the LOC has been renewed through February 28, 2025 with interest at the prime rate plus 4.00%. Interest on the revolving line of credit is computed daily and is payable on a monthly basis.

CSI also has a term loan that originated in August 2016 in the amount of $4,912,117. This loan bears a variable interest rate equal to the lender's prime rate plus one percent (which was 8.5% as of January 31, 2023), and is collateralized by all business assets. The loan, as amended in March 2021, was due April 1, 2023 and has been periodically renewed. Effective October 31, 2024, the term loan was renewed through through February 28, 2025.

The revolving line of credit and bank loan agreements are subject to meet certain loan covenants pertaining to debt service liquidity. As of December 31, 2024, CSI was in compliance with these covenants or they were waived. Management is in process of obtaining a six month extension on these agreements.

Effective April 19, 2024, CSI entered into a loan and security agreement with a related party which provides for loans up to $1,500,000 with interest payable at 15% and a maturity date of October 31, 2025.

5. LEASES

CSI is party to separate lease agreements for its primary office space and warehouse facilities. The lease agreement for CSI’s primary office space located at 2601 Navistar Drive, Lisle, Illinois commenced in July 2020 and continued through June 2023. During July 2022, the agreement was renewed through June 2027 at an initial annual base rent of $178,882, scheduled to increase by $0.50 per rentable square foot annually through the end of the lease term. Rent expense under this agreement for the years ended December 31, 2024 and 2023 was $182,948 and $197,639, respectively.

The lease agreement for CSI’s warehouse facilities located at 4995 Varsity Drive, Lisle, Illinois commenced in October 2014 and continues through December 2025. Initial monthly rent under this agreement was $6,184 and is scheduled for 3% annual increases. Rent expense under this agreement for the years ended December 31, 2024 and 2023 was $97,550 and $94,709, respectively.

5. LEASES (Continued)

During June 2024, CSI entered into an equipment finance agreement requiring 60 monthly payments of $3,745 through June 2029 with a discount rate of 8.5%. The agreement is collateralized by the underlying equipment acquired.

In accordance with generally accepted accounting principles in the United States of America, CSI has recognized right-of-use assets and corresponding lease liabilities as follows:

	Office	Warehouse	Equipment	Total
2025	$ 189,042	$ 100,477	$ 44,940	$ 334,459
2026	193,110	-	44,940	238,050
2027	113,834	-	44,940	158,774
2028	-	-	44,940	44,940
2029	-	-	22,470	22,470
Total lease payments	$ 495,986	$ 100,477	$ 202,230	798,693
Less: Interest				(87,212)
Present value of lease liabilities				$ 711,481

6. EMPLOYER PROFIT-SHARING AND 401(K) CONTRIBUTIONS

The Company maintains a 401(k) plan that covers substantially all of its employees. Under the 401(k) plan, the Company can voluntarily match 35% of employee contributions up to 3% of each participating employee's gross compensation. The Company did not make voluntary matching contributions to the plan for the years ended December 31, 2024 or 2023.

7. CONTINGENCIES

Pursuant to an amended complaint filed on September 23, 2024, a vendor of CSI is seeking to collect from CSI approximately $929,000 in unpaid invoices. CSI has submitted its response on October 17, 2024 disputing this claim and has filed a counterclaim alleging deficiencies in services rendered, seeking damages of approximately $6 million for amounts previously paid. Due to the deficiencies in services, CSI has written off related amounts previously capitalized and recorded an impairment loss for the remaining unamortized amount of $1,614,487 as of December 31, 2023. Management plans to vigorously defend this action and does not anticipate any further losses.

For the years ended December 31, 2024 and 2023, CSI incurred net losses of $157,468 and $4,162,131 and has stockholders deficits of $3,207,011 as of $3,049,543, respectively. As further discussed in Note 8, CSI entered into an asset purchase agreement with another party to sell substantially all of CSI's assets. Should this agreement be terminated for any reason, the shareholders are committed to providing the necessary financing to sustain operations for a period of at least one year after the balance sheet date.

8. PENDING SALE OF ASSETS

On December 19, 2024, CSI entered into an asset purchase agreeement with another party to sell substantially all of CSI's asset which is scheduled to close no later than April 30, 2025. In connection with this sale, certain liabilities will be transferred to the purchaser pursuant to terms of the asset purchase agreement. Proceeds from the sale will be used to satisfy remaining liablities retained by CSI. Subsequent to the sale, management plans to wind down operations of CSI which will ultimately be dissolved.

In connection with the asset purchase agreement, CSI received a $1,000,000 exclusivity fee which is included in other income.

9. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 19, 2025, which was the date that these financial statements were available for issuance

As further discussed in Note 4, effective October 31, 2024, the revolving line of credit and term loan were renewed through February 28, 2025. Management is in process of obtaining a six month extension.

Other than the matter described above, management is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

COMPUSYSTEMS, INC.
Financial Statements
March 31, 2025 and 2024

COMPUSYSTEMS, INC.
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March 31, 2025 and 2024

COMPUSYSTEMS, INC.
BALANCE SHEETS
March 31, 2025 and December 31,2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	$ 723,446	$ 190,768
Accounts receivable, net	454,071	545,481
Unbilled receivables	296,485	128,548
Materials inventory	102,637	114,747
Prepaid expenses and other	75,250	120,789
Total current assets	1,651,890	1,100,333
RIGHT-OF-USE ASSETS	633,866	711,481
PROPERTY AND EQUIPMENT, NET	2,975,129	2,904,093
OTHER ASSETS		
Deposits	133,900	133,900
Total other assets	133,900	133,900
TOTAL ASSETS	$ 5,394,785	$ 4,849,804
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES Accounts payable	$ 461,082	$ 444,548
Accrued expenses	2,902,455	2,756,832
Customer deposits and allowances	262,634	177,853
Line of credit	1,750,000	1,750,000
Current maturities of long-term debt	957,616	1,183,101
Operating lease liabilities, current portion	308,996	334,459
Loan from shareholder	1,175,000	1,033,000
Total current liabilities	7,817,783	7,679,793
LONG-TERM LIABILITIES		
Operating lease liabilities, net of current portion	324,870	377,022
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, no par value, 1,000,000 shares authorized, 362,500 shares issued and 312,500 shares outstanding	-	-
Paid-in-capital	4,160,000	4,160,000
Accumulated deficit	(6,565,100)	(7,024,243)
Less treasury stock, at cost	(342,768)	(342,768)
Total stockholders' equity (deficit)	(2,747,868)	(3,207,011)
TOTAL LIABILITIES AND NET ASSETS	$ 5,394,785	$ 4,849,804

See accompanying notes to financial statements.

COMPUSYSTEMS, INC.
STATEMENTS OF OPERATIONS
Three Months Ended March 31, 2025 and 2024

	2025	2024
SALES		
Registration	$ 707,982	$ 1,073,747
Exhibitor software	1,867,230	1,814,175
Total sales	2,575,212	2,887,922
COST OF SALES	2,062,496	2,225,498
GROSS PROFIT	512,717	662,424
OPERATING EXPENSES		
Sales and marketing	251,767	251,756
General and administrative	421,546	404,284
Depreciation and amortization	258,877	557,572
Total operating expenses	932,190	1,213,611
OPERATING INCOME (LOSS)	(419,473)	(551,187)
OTHER INCOME (EXPENSE)		
Interest expense	(68,230)	(100,694)
Break up fee (Note 8)	1,000,000	-
Litigation and other (Note 7)	(53,158)	(20,693)
Total other income (expense)	878,612	(121,387)
NET LOSS	$ 459,139	$ (672,574)

See accompanying notes to financial statements.

COMPUSYSTEMS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Three months ended March 31, 2025 and 2024

	Common Stock	Paid-In Capital	Treasury Stock	Accumulated Deficit	Total
Balance at January 1, 2024	$ -	$ 4,160,000	$ (342,768)	$ (6,866,772)	$ (3,049,540)
Net Income (Loss)	-	-	-	(672,574)	(672,574)
Balance at March 31, 2024	$ -	$ 4,160,000	$ (342,768)	$ (7,539,346)	$ (3,722,114)
Balance at January 1, 2025	$ -	$ 4,160,000	$ (342,768)	$ (7,024,239)	$ (3,207,007)
Net Income (Loss)				459,139	459,139
Balance at March 31, 2025	$ -	$ 4,160,000	$ (342,768)	$ (6,565,100)	$ (2,747,868)

See accompanying notes to financial statements.

COMPUSYSTEMS, INC.
STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 459,139	$ (672,574)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	258,877	557,572
(Increase) decrease in:		
Accounts receivables	89,504	56,705
Unbilled receivables	(166,032)	218,471
Materials inventory	12,109	7,645
Prepaid expenses, deposits and other	45,539	38,880
Increase (decrease) in		
Accounts payable	16,535	(159,664)
Accrued expenses and other	129,010	227,009
Customer deposits and allowances	126,459	213,276
Total adjustments	512,002	602,323
Net cash from operating activities	971,142	487,320
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(8,219)	(105,017)
Development in progress, customized software	(321,694)	(250,523)
Net cash used in investing activities	(329,913)	(355,540)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on revolving line of credit	-	-
Payments on long-term debt	(250,551)	(213,983)
Debt proceeds	142,000	45,000
Net cash from financing activities	(108,551)	(168,983)
NET INCREASE (INCREASE) IN CASH	532,678	(37,203)
CASH, BEGINNING OF PERIOD	190,768	355,205

CASH, END OF PERIOD	$	723,446	$	318,002
Supplemental disclosure of cash flow information Cash payments for interest	$	68,230	$	100,694

See accompanying notes to financial statements.

1. **NATURE OF OPERATIONS**

CompuSystems, Inc. (CSI), incorporated on July 20, 1976 under the Illinois business corporation act of 1933, provides registration, lead collection, and ancillary data processing services to the meeting, convention and tradeshow industry. CSI in December 2024 redomesticated and is now a Texas corporation. CSI conducts business throughout the United States, and in Europe and Asia.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting and Presentation

The financial statements are prepared on the accrual basis of accounting whereby revenues and assets are recognized when earned, and expenses and liabilities are recognized when incurred.

Cash

Cash consists of demand deposits in financial institutions that include balances the exceed federally insured limits. CSI has not experienced any losses on such accounts and its management does not believe it is exposed to significant risk.

Allowance for Credit Losses

CSI grants trade credit to its customers located within and outside of the United States of America. The allowance for credit losses is an estimate based on CSI's historical collection experience.

Such allowances were $108,568 and $128,568 as of March 31, 2025 and December 31, 2024, respectively.

Unbilled Receivables

Unbilled receivables consist of costs incurred for future shows in excess of billing realized.

Materials Inventory

Materials inventory is stated at the lower of cost (determined under the first-in, first-out method) or market.

Property and Equipment

Property and equipment is recorded at cost. Depreciation is provided using straight-line and accelerated methods over the estimated useful lives of assets ranging from 3 to 15 years.

CSI capitalizes in-house and contracted costs related to the design, development, and implementation of computer software marketed to clients and to exhibitors and registrants attending client events. Such capitalized costs are amortized over a three-year term.

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

Customer Deposits and Allowances

Customer deposits and allowances consist of remittances for future shows. Such deposits are applied to revenue in the period in which the show occurs or refunded.

Revenue Recognition

Revenue is primarily from the sale of products, services, and digital assets, including software, applications, technology solutions, lead generation, customer support, and event-related activities. Revenue is recognized once service or product is invoiced and delivered, all typically within one year. Additional revenue is derived from rental income, physical goods sales, and other sources.

Leases

Effective January 1, 2022, CSI implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No 2016-02, Leases (Topic 842), which requires the recognition of right-of-use assets and lease liabilities based on the present value of the remaining lease payments. A risk-free rate of return of 3.39% was used as the discount rate in order to determine present value.

Income Taxes

CSI has elected to be taxed as an S corporation under the provisions of the Internal Revenue Code. Under these provisions, the company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income tax on their respective share of the CSI's taxable income. CSI is subject to other various state and franchise taxes in states in which operations are conducted.

CSI evaluates all significant tax positions for federal and state income tax purposes. As of March 31, 2025 and 2024, CSI does not believe it has taken any positions that would require the recording of any additional tax liability.

CSI is subject to routine audits by taxing jurisdictions. Tax years that remain open for examination generally include the current and threee preceding years, however, there are currently no audits for any tax periods in progress. CSI's policy is to classify income tax related interest and penalities in interest expense and other expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. PROPERTY AND EQUIPMENT

Property and equipment as of March 31, 2025 and December 31, 2024 consists of:

	2025	2024
Production equipment and lead collection devices	$ 1,254,400	$ 1,246,181
Customized software	8,608.163	8,286,469
Office furniture, fixtures, and equipment	29,007	29,007
Leasehold improvements	115,283	115,283
Transportation equipment	28,237	28,237
Total property and equipment	10,035,090	9,705,177
Less accumulated depreciation and amortization	(7,059,961)	(6,801,084)
Property and equipment, net	$ 2,975,129	$ 2,904,093

Depreciation and amortization expense for the three months ended March 31, 2025 was $258,877.

4. REVOLVING LINE OF CREDIT AND TERM LOAN

CSI maintains a $2,000,000 revolving line of credit (LOC) that originated in March 1, 2021, has a one-year term, is secured by a Blanket UCC Lien on all business assets, and has an interest rate equal to the prime rate as published in the Wall Street Journal plus one percent (which was 8.50% as of December 31, 2023) and has been periodically renewed. Effective February 28, 2025, the LOC has been renewed through May 30, 2025 with interest at the prime rate plus 4.00%. Interest on the revolving line of credit is computed daily and is payable on a monthly basis.

CSI also has a term loan that originated in August 2016 in the amount of $4,912,117. This loan bears a variable interest rate equal to the lender's prime rate plus one percent (which was 8.5% as of January 31, 2023), and is collateralized by all business assets. The loan, as amended in March 2021, was due April 1, 2023 and has been periodically renewed. Effective February 28, 2025, the term loan was renewed through May 30, 2025.

The revolving line of credit and bank loan agreements are subject to meet certain loan covenants pertaining to debt service liquidity. As of March 31, 2025, CSI was in compliance with these covenants or they were waived.

Effective April 19, 2024, CSI entered into a loan and security agreement with a related party which provides for loans up to $1,500,000 with interest payable at 15% and a maturity date of October 31, 2025.

5. LEASES

CSI is party to separate lease agreements for its primary office space and warehouse facilities. The lease agreement for CSI’s primary office space located at 2601 Navistar Drive, Lisle, Illinois commenced in July 2020 and continued through June 2023. During July 2022, the agreement was renewed through June 2027 at an initial annual base rent of $178,882, scheduled to increase by $0.50 per rentable square foot annually through the end of the lease term. Rent expense under this agreement for the quarters ended March 31, 2025 and 2024 was $46,753 and $45,737, respectively.

The lease agreement for CSI’s warehouse facilities located at 4995 Varsity Drive, Lisle, Illinois commenced in October 2014 and continues through December 2025. Initial monthly rent under this agreement was $6,184 and is scheduled for 3% annual increases. Rent expense under this agreement for the quarters ended March 31, 2025 and 2024 was $24,932 and $24,206, respectively.

COMPUSYSTEMS, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

5. LEASES (Continued)

During June 2024, CSI entered into an equipment finance agreement requiring 60 monthly payments of $3,745 through June 2029 with a discount rate of 8.5%. The agreement is collateralized by the underlying equipment acquired.

In accordance with generally accepted accounting principles in the United States of America, CSI has recognized right-of-use assets and corresponding lease liabilities as follows:

	Office	Warehouse	Equipment	Total
2025	$ 141,782	$ 75,358	$ 33,705	$ 250,844
2026	193,110	-	44,940	238,050
2027	113,834	-	44,940	158,774
2028	-	-	44,940	44,940
2029	-	-	22,470	22,470
Total lease payments	$ 48,726	$ 75,358	$ 190,995	715,078
Less: Interest				(81,212)
Present value of lease liabilities				$ 633,866

6. EMPLOYER PROFIT-SHARING AND 401(K) CONTRIBUTIONS

The Company maintains a 401(k) plan that covers substantially all of its employees. Under the 401(k) plan, the Company can voluntarily match 35% of employee contributions up to 3% of each participating employee's gross compensation. The Company made voluntary matching contributions to the plan for the quarters ended March 31, 2025 and 2024 of $9,703 and $12,093, respectively.

7. CONTINGENCIES

Pursuant to an amended complaint filed on September 23, 2024, a vendor of CSI is seeking to collect from CSI approximately $929,000 in unpaid invoices. CSI has submitted its response on October 17, 2024 disputing this claim and has filed a counterclaim alleging deficiencies in services rendered, seeking damages of approximately $6 million for amounts previously paid. Due to the deficiencies in services, CSI has written off related amounts previously capitalized and recorded an impairment loss for the remaining unamortized amount of $1,614,487 as of December 31, 2023. Management plans to vigorously defend this action and does not anticipate any further losses.

COMPUSYSTEMS, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

8. PENDING SALE OF ASSETS

On December 19, 2024, CSI entered into an asset purchase agreement with another party to sell substantially all of CSI's asset which is scheduled to close no later than May 15, 2025. In connection with this sale, certain liabilities will be transferred to the purchaser pursuant to terms of the asset purchase agreement. Proceeds from the sale will be used to satisfy remaining liabilities retained by CSI. Subsequent to the sale, management plans to wind down operations of CSI which will ultimately be dissolved.

In the first quarter of 2025, a “Breakup Fee” of $1,000,000 previously held in escrow in connection with the asset purchase was released to CSI in connection with CSI agreeing to the terms of that certain Second Amendment to the Asset Purchase Agreement. That $1,000,000 fee is included in other income.

9. SUBSEQUENT EVENTS

The pending sale described in footnote 8 closed on May 20,2025.

Other than the matter described above, management is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

CSI Acquisition

The Company closed the Asset Purchase Agreement pursuant to which, the Company agreed to purchase, assume and accept from CSI all of the rights, title and interests used in, to and under certain assets, including CSI's customer contracts, trademarks, and other intellectual property. The transaction closed on May 20, 2025.

The Company acquired the transferred assets for an aggregate purchase price consisting of (i) an exclusivity payment fee of $1,000,000, (ii) a breakup fee of $1,000,000, (iii) an amount in cash equal to $5,000,000, (iv) 10,600,000 validly issued, fully paid and nonassessable shares of restricted common stock, with a fair value based on the closing stock price from May 20, 2025 of $0.97 per share, (v) $5,000,000 million payable in the form of the Third Convertible Note (as defined below) which is due on the second anniversary after closing and pays interest to CSI on the aggregate unconverted and then outstanding principal amount of the Third Convertible Note at the rate of ten percent (10%) per annum, and if the Third Convertible Note has not been satisfied in full within three (3) months after the closing date, then at CSI's option, it shall be convertible to common stock of the Company, in increments of $500,000, at a price of $1.14 per share, (vi) $5,000,000 payable in the form of the First Convertible Note (as defined below) issued by the Company to CSI, due the second anniversary after closing, (vii) $5,000,000 payable in the form of the Second Convertible Note issued by the Company to CSI, due the second anniversary after closing, (viii) $500,000 for the reimbursement of fees incurred by CSI due to the CSI Acquisition, and (ix) the assumption of the transferred liabilities as they relate to the transferred assets. The Company will only assume the transferred liabilities, if any. The exclusivity payment fee was non-refundable and was paid to CSI within six business days after the date of the Asset Purchase Agreement. The breakup fee was released from the escrow account on February 27, 2025.

The Asset Purchase Agreement includes customary representations and warranties and various customary covenants and closing conditions that are subject to certain limitations, including, without limitation, certain third-party consents and agreements.

The securities issued in the CSI Acquisition will be issued in reliance upon exemptions from registration under Section 4(a)(2) of the Securities Act, and Rule 506 promulgated under Regulation D of the Securities Act.

The foregoing summary of the Asset Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of such document, which is included as exhibit 2.1 to our current report on Form 8-K filed with the SEC on December 26, 2024 (the amendment to which is included as exhibit 2.1 to our current report on Form 8-K filed with the SEC on January 6, 2025, the second amendment to which is included as exhibit 2.1 to our current report on Form 8-K filed with the SEC on February 28, 2025, and the third amendment to which is included as exhibit 2.1 to our current report on Form 8-K filed with the SEC on April 2, 2025).

2025 Notes

On March 31, 2025, the Company, entered into the Securities Purchase Agreement (the "Purchase Agreement") with the investors ("Investors"), pursuant to which the Investors agreed to purchase from the Company (a) in a registered direct offering the Initial April Notes for an aggregate purchase price of $5,000,000 and having an aggregate principal amount of $5,555,555 (the "Initial April Notes"), and the Additional Notes for an aggregate purchase price of $10,000,000 and having an aggregate principal amount of $11,111,111 (the "Additional Notes") upon satisfaction of certain closing conditions applicable to the Initial April Notes and Additional Notes, respectively and (b) in a concurrent private placement, the common stock purchase warrants (the "Warrants") to purchase up to 19,346,101 shares of common stock, of which the initial April warrants to purchase up to 6,448,700 shares of common stock will be issued in connection with the issuance of the Initial April Notes (the "Initial April Warrants") and additional warrants to purchase up to 12,897,401 shares of common stock will be issued in connection with the issuance of the Additional Notes (the "Additional Warrants") (collectively, the 2025 Financing").

The initial April closing of the Initial April Notes and Initial April Warrants took place on April 2, 2025 (the "Initial April Closing"). The additional closing of the Additional Notes and Additional Warrants closed on May 19, 2025 (the "Additional Closing").

The Initial April Notes and the Additional Notes (together, the "Notes") carry a 10% original issue discount, and mature 18 months from the date of issuance. No interest accrues during the term of the Notes, unless an event of default occurs, in which case interest will accrue at a rate of 12% per annum. The obligations under these Notes rank senior to all other existing indebtedness and equity of the Company. The Notes are convertible into shares of the Company's common stock at any time beginning on the date of issuance at the option of the holders thereof, in whole or in part, into such number of shares of common stock (the "Conversion Shares") at an initial conversion price equal to $1.00 per share (the "Conversion Price"). Alternatively, the Notes are convertible at a price (the "Alternate Conversion Price") equal to the greater of (x) the Floor Price (as defined below) and (y) 90% of the lowest volume weighted adjusted price of the shares of common stock (the "VWAP") in the ten (10) trading days prior to the applicable conversion date ("Alternate Conversions").

The conversion price of the Notes is subject to a floor price of $0.1794 (the "Floor Price").

Pro forma information

The following unaudited pro forma condensed consolidated financial statements are based on the Company's audited historical consolidated financial statements as of December 31, 2024 and the unaudited historical condensed financial statements as of March 31, 2025. The unaudited pro forma condensed consolidated balance sheet as of March 31, 2025 gives effect to these transactions as of that date. The unaudited pro forma condensed consolidated statements of operations for the three months ended March 31, 2025 and the consolidated statement of operations for the year ended December 31, 2024 give effect to these transactions as if it occurred at the beginning of such period.

The unaudited pro forma consolidated financial statements should be read together with the Company's audited historical financial statements, which are included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, which was filed with the SEC on March 31, 2025 and the Company's quarterly report on Form 10-Q for the three months ended March 31, 2025, which was filed with the SEC on May 14, 2025.

The unaudited pro forma consolidated financial information is provided for informational purposes only and is not intended to represent or be indicative of the consolidated results of operations or financial position that the Company would have reported had the CSI Acquisition closed on the dates indicated and should not be taken as representative of our future consolidated results of operations or financial position.

The pro forma adjustments related to the Asset Purchase Agreement, the closed asset purchase pursuant to that certain asset purchase agreement by and between the Company and Data Vault Holdings Inc., a Delaware corporation, dated as of September 4, 2024 (the "DV Asset Purchase"), and the 2025 Notes are described in the notes to the unaudited pro forma condensed consolidated financial information and principally include the following:

- Pro forma adjustment to record the pending CSI Acquisition estimated consideration and initial allocation of the purchase consideration;

- Pro forma adjustment to record the closing of the 2025 Notes needed to close the CSI Acquisition; and

- Pro forma adjustment to record the effect of amortization and interest associated with the recognition of the CSI Acquisition and the Notes (as defined below).

The adjustments to fair value and the other estimates reflected in the accompanying unaudited pro forma condensed consolidated financial statements may be materially different from those reflected in the Company's consolidated financial statements subsequent to the closing of the CSI Acquisition. In addition, the unaudited pro forma condensed consolidated financial statements do not purport to project the future financial position or results of operations.

These unaudited pro forma condensed consolidated financial statements also do not include any integration costs the Company may incur related to the CSI Acquisition.

DATAVAULT AI, INC.
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2025
(in thousands, except share and per share data)

	DVLT	CSI	Entity Adjustments		Transaction Accounting Adjustments		Pro Forma Combined
Assets							
Cash and cash equivalents	$ 171	$ 723	$ 13,698	A	$ (6,223)	B	$ 8,369
Accounts receivable	280	454	-		(454)	B	280
Unbilled receivable	-	296	-		83	H	379
Inventories	1,342	103	-		-		1,445
Prepaid expenses and other current assets	900	75	-		(83)	H	892
Total current assets	2,693	1,651	13,698		(6,677)		11,365
Property and equipment, net	98	2,975	-		-		3,073
Intangible assets and goodwill	90,383	-	-		32,824	B	123,207
ROU asset	-	634	-		499	H	1,133
Deposit for business combination	2,000	-	-		(2,000)	B	-
Other assets	499	135	-		(499)	H	135
Total assets	$ 95,673	$ 5,395	$ 13,698		$ 24,147		$ 138,913
Liabilities, Convertible Redeemable Preferred Stock and Stockholders' Equity / (Deficit)							
Current Liabilities:							
Accounts payable	$ 2,807	$ 461	$ -		$ -		$ 3,268
Current portion of long term debt	-	958	-		(958)	C	-
Line of credit	-	1,750	-		(1,750)	C	-
Accrued liabilities	1,364	-	-		2,567	H	3,931
Accrued expenses	-	2,902	-		(2,902)	H	-
Customer deposits	-	263	-		224	H	487
Operating lease obligation	-	309	-		111	H	420
Loan from shareholder	-	1,175	-		(1,175)	C	-
Total current liabilities	4,171	7,818	-		(3,883)		8,106
Loan payable, net of current	-	-			15,000	B	15,000
Convertible note payable, net, related party	9,283	-	-		-		9,283
Senior secured 10% original issue discount convertible notes	-	-	13,698	A	-		13,698
Capital lease obligation	-	-	-		-		-
Operating lease obligations, net of current	-	325	-		523	H	848
Warrant liabilities	10	-	-		-		10
Other liabilities	523	-	-		(523)	H	-
Total liabilities	13,987	8,143	13,698		11,117		46,945
Commitments and contingencies							
Stockholders' Equity / (Deficit):							
Common stock, par value $0.0001; 300,000,000 shares authorized;66,024,190 and 52,034,060 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	6	-	-		-		6
Additional paid-in capital	389,694	4,160	-		6,122	B, D	399,976
Accumulated deficit	(308,014)	(6,565)	-		6,565	D	(308,014)
Less treasury stock	-	(343)	-		343	D	-
Total stockholders' equity / (deficit)	81,686	(2,748)	-		13,030		91,968
Total liabilities, convertible preferred stock and stockholders' equity / (deficit)	$ 95,673	$ 5,395	$ 13,698		$ 24,147		$ 138,913

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS PROFORMA
For the Three Months Ended March 31, 2025
(in thousands, except share and per share data)

	DVLT	CSI	Pro Forma Adjustments		Pro Forma Combined
Revenue, net	$ 629	$ 2,575	$ -		$ 3,204
Cost of revenue	560	2,062	-		2,622
Gross profit (deficit)	69	513	-		582
Operating Expenses:					
Research and development	2,361				2,361
Sales and marketing	1,495	252	-		1,747
General and administrative	5,644	422	-		6,066
Depreciation expense and amortization	-	259	821	E	1,080
Total operating expenses	9,500	933	821		11,254
Loss from operations	(9,431)	(420)	(821)		(10,672)
Interest (expense) income, net	(120)	(68)	(530)	F	(718)
Decrease (increase) in fair value of warrant liabilities	17	-	-		17
Other income (expense), net	(29)	1,000	(53)		918
Legal and other expense	-	(53)	53		-
Loss before provision for income taxes	(9,563)	459	(1,351)		(10,455)
Provision for income taxes	-	-	-		-
Net loss	(9,563)	459	(1,351)		(10,455)
Net loss attributable to common stockholders	$ (9,563)				$ (10,455)
Net loss per common share - basic and diluted	$ (0.18)				$ (0.16)
Weighted average number of common shares used in computing net loss per common share	53,681,828		10,600,000	G	64,281,828

DATAVAULT AI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS PROFORMA
For the Year Ended December 31, 2024
(in thousands, except share and per share data)

	DVLT	CSI	Pro Forma Adjustments		Pro Forma Combined
Revenue, net	$ 2,674	$ 11,519	$ -		$ 14,193
Cost of revenue	2,298	8,352	-		10,650
Gross profit (deficit)	376	3,167	-		3,543
Operating Expenses:					
Research and development	7,818				7,818
Sales and marketing	3,974	1,078	-		5,052
General and administrative	9,722	1,610	-		11,332
Depreciation expense and amortization	-	1,008	3,282	E	4,290
Total operating expenses	21,514	3,696	3,282		28,492
Loss from operations	(21,138)	(529)	(3,282)		(24,949)
Interest (expense) income, net	(1,272)	(353)	(2,520)	F	(4,145)
Decrease (increase) in fair value of warrant liabilities	(29,120)	-	-		(29,120)
Other income, net	121	1,000	-		1,121
Legal and other expense	-	(276)	-		(276)
Loss before provision for income taxes	(51,409)	(158)	(5,802)		(57,369)
Provision for income taxes	-	-	-		-
Net loss	(51,409)	(158)	(5,802)		(57,369)
Deemed dividend on conversion of Series B preferred for common stock and repurchase of Series B preferred stock	(5,842)				(5,842)
Deemed dividend on issuance of common stock and warrants in connection with amendment to warrants to purchase common stock	(10,475)				(10,475)
Net loss attributable to common stockholders	$ (67,726)				$ (73,686)
Net loss per common share - basic and diluted	$ (16.14)				$ (4.98)
Weighted average number of common shares used in computing net loss per common share	4,197,284		10,600,000	G	14,797,284

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Note 1 — Basis of Presentation

The audited annual historical consolidated financial statements have been adjusted in the pro forma consolidated financial statements in accordance with Article 11 of the SEC's Regulation S-X to give effect to pro forma events that are (1) directly attributable to the CSI Acquisition and the Initial April Notes and Additional Notes and (2) factually supportable and (3) with respect to the pro forma consolidated statements of operations, expected to have a continuing impact on the consolidated results following the closing of the CSI Acquisition and the April 2025 Financing.

The unaudited pro forma consolidated financial statements are based on the Company's audited historical consolidated financial statements as adjusted to give effect to the CSI Acquisition and the Initial April Notes and the Additional Notes. The unaudited pro forma consolidated balance sheet as of March 31, 20265, gives effect to the CSI Acquisition as of that date. The unaudited pro forma consolidated statements of operations for the three months ended March 31, 2025 and the year ended December 31, 2024, give effect to the CSI Acquisition as if it occurred on the beginning of such period.

The allocation of the consideration transferred used in the unaudited pro forma consolidated financial statements is based upon a preliminary valuation by management of the consideration transferred. The final estimate of the fair value of the assets will be determined with the assistance of a third-party valuation firm. The Company's preliminary estimates and assumptions are subject to material change upon the finalization of internal studies and third-party valuations of assets, which may include intangible assets, and certain liabilities.

The unaudited pro forma consolidated financial statements are provided for informational purposes only and is not necessarily indicative of what the consolidated Company's financial position and results of operations would have actually been had the CSI Acquisition been completed on the dates used to prepare these pro forma financial statements. The adjustments to fair value and the other estimates reflected in the accompanying unaudited pro forma consolidated financial statements may be materially different from those reflected in the Company's consolidated financial statements subsequent to the CSI Acquisition. In addition, the unaudited pro forma consolidated financial statements do not purport to project the future financial position or results of operations of the Company.

The unaudited pro forma combined financial information herein has been adjusted to depict the accounting of a business combination for the CSI Acquisition ("Transaction Accounting Adjustments"), which reflect the application of the purchase accounting required by U.S. GAAP and SEC rules and regulations. The unaudited pro forma combined financial information does not present any synergies that are expected to occur.

The CSI Acquisition is expected to be accounted for using the acquisition method of accounting, pursuant to ASC 805, Business Combinations, with the Company considered the accounting and legal acquirer. The unaudited pro forma combined financial information reflects the preliminary assessment of fair values and useful lives assigned to the assets acquired and liabilities assumed. Fair value estimates will be determined based on discussions between us and CSI and through due diligence efforts. The detailed valuation studies necessary to arrive at the required estimates of the fair values for the CSI assets acquired and liabilities assumed have not been completed. Significant assets and liabilities that are subject to preparation of valuation studies to determine appropriate fair value adjustments include intangible assets and deferred income tax liability. Changes to the fair values of these assets and liabilities will also result in goodwill recorded from the acquisition, which could be material.

These financial statements also do not include any integration costs the Company may incur related to the CSI Acquisition.

Note 2 — Summary of Significant Accounting Policies

The unaudited pro forma consolidated financial statements have been prepared in a manner consistent with the accounting policies adopted by the Company. The accounting policies followed for financial reporting on a pro forma basis are the same as those disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Note 3 — Preliminary Purchase Consideration

On December 19, 2024, the Company entered into the Asset Purchase Agreement with CSI, pursuant to which the Company has agreed to purchase, assume and accept from CSI all of the rights, title and interests in, to and under the transferred assets, including CSI's customer contracts, trademarks, and other intellectual property. On December 30, 2024, the Company and CSI entered into an amendment to the Asset Purchase Agreement, on February 25, 2025, the Company and CSI entered into a second amendment to the Asset Purchase Agreement, and on March 31, 2025, the Company and CSI entered into a third amendment to the Asset Purchase Agreement. The transaction closed on May 20, 2025.

Pursuant to the CSI Asset Purchase Agreement, as amended, the Company acquired the transferred assets for an aggregate purchase price which shall consist of (i) the exclusivity payment fee of $1,000,000, (ii) the breakup fee of $1,000,000, (iii) an amount in cash equal to $5,000,000, (iv) 10,600,000 validly issued, fully paid and nonassessable shares of restricted common stock, (v) $5,000,000 payable in the form of the Third Convertible Note, (vi) $5,000,000 payable in the form of the First Convertible Note, (vii) $5,000,000 payable in the form of the Second Convertible Note, (viii) $500,000 for the reimbursement of fees incurred by CSI due to the CSI Acquisition, and (ix) the assumption of the transferred liabilities as they relate to transferred assets. The exclusivity payment fee was non-refundable and was paid to CSI within six business days after the date of the Asset Purchase Agreement. The breakup fee was released from the escrow account on February 27, 2025.

The Company shall also repay the principal amount and all accrued interest under the Third Convertible Note in full, without a penalty, within three (3) business days after the Company raises an additional amount of capital totaling at least $15,000,000, after the Company closed an initial offering or financings resulting in aggregate gross proceeds to the Company of at least $15,000,000, from one or more investors and/or financial institutions.

The following table highlights the components of the preliminary purchase consideration:

Exclusivity fee	$	1,000,000
Break-up fee		1,000,000
Cash payment		5,000,000
Common stock		10,282,000
Initial convertible note		5,000,000
1st convertible note		5,000,000
2nd convertible note		5,000,000
Cost reimbursement		500,000
	$	**32,782,000**

This preliminary fair value has been used to prepare pro forma adjustments in the pro forma consolidated balance sheet and statements of operations. The preliminary allocation of purchase price has not been performed yet due to the Company not having sufficient time from the announcement of the pending acquisition and will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation will differ materially from the amounts used in the pro forma adjustments. The final allocation may include (1) changes in allocations to intangible assets such as customer lists, trade names, technology and goodwill, and (2) other changes to the estimated lives of the assets (3) assumptions used for financing, and (4) the assumption of any liabilities.

In accordance with the Asset Purchase Agreement the purchase price includes $10.3 million in common stock based on the closing price of the Company's common stock on May 20, 2025 of $0.97.

Note 4 — Pro Forma Transaction Accounting Adjustments

The pro forma Transaction Accounting Adjustments are based on our preliminary estimates and assumptions that are subject to change. The following Transaction Accounting Adjustments have been reflected in the unaudited pro forma consolidated financial statements:

A. To adjust the cash balance for (i) the closing of the Company's Initial April Notes and Additional Notes for which the Company received net proceeds of $4.5 million and $9.2 million for the Initial April Notes and the Additional Notes, respectively, after the original issue discount of 10% and fees.

B. To record consideration of (i) $5.0 million cash consideration to be transferred at the closing of the CSI Acquisition, (ii) $1 million exclusivity fee paid in cash on entering into the Asset Purchase Agreement and included in the line item Deposit for business combination, (iii) $1 million break up fee paid in cash on entering into the Asset Purchase Agreement included in the line item Deposit for business combination, (iv) to adjust the issuance of the Notes in the aggregate of $15.0 million and (v) to adjust additional paid in capital for common stock consideration to be issued of 10,600,000 shares using the closing stock price from May 20, 2025 through of $0.97 per share for an aggregate fair value of the common stock of $10.3 million. The resulting combined intangible assets to be recorded is $32.8 million. This pro forma adjustment does not allocate any of the transaction price to goodwill due to the Company not having sufficient time to perform detailed valuation studies of the intangibles acquired. When the detailed valuation studies are performed, we expect the recording of goodwill and therefore the amount allocated to intangible assets will be less.

C. To record the payoff of indebtedness using proceeds from the purchase consideration as outlined in the Asset Purchase Agreement in the current portion of long-term debt for estimated amounts based on March 31, 2025 balances of (i) the term loan of $1.0 million and (ii) a line of credit of $1.8 million in loan payable, net of current for a shareholder loan of $1.2 million.

D. To record (i) the pro forma adjustment to eliminate CSI equity.

E. To record amortization for the year ended December 31, 2024 of acquired intangibles estimated to be $3.3 million for acquired intangibles in the CSI Acquisition for the year ended December 31, 2024. For acquired intangibles in the CSI Acquisition an estimated combined useful life of ten years was used.

To record amortization for the three months ended March 31, 2025 of acquired intangibles estimated to be $821 thousand for acquired intangibles in the CSI Acquisition for the three months ended March 31, 2025. For acquired intangibles in the CSI Acquisition an estimated combined useful life of ten years was used.

F. To record interest for the year ended December 31, 2024 on the Notes issued to CSI of $689 thousand on the issuance of the Third Convertible Note at 10%, the First Convertible Note and Second Convertible Note at 5% to begin accruing 6 months and 9 months, in the case of the First Convertible Note and the Second Convertible Note, respectively, after the closing date of the transaction, and $638 thousand and $1,193 thousand interest on the Initial April Notes and Additional Notes for the year ended December 31, 2024, assuming the transaction took place at the beginning of such period.

To record interest for the three months ended March 31, 2025 on the Notes issued to CSI of $125 thousand on the issuance of the Third Convertible Note at 10%, after the closing date of the transaction, and $154 thousand and $252 thousand interest on the Initial April Notes and Additional Notes for the three months ended March 31, 2025, assuming the transaction took place at the beginning of such period.

G. To record the issuance of 10,600,000 shares of common stock to be issued at closing of the CSI Acquisition.

H. To reclassify (i) ROU assets from the Company's balance sheet to be in the ROU asset line item, (ii) Accrued expenses from CSI's balance sheet to Accrued liabilities, (iii) prepaid expenses to unbilled receivables, (iv) operating lease obligation from Accrued liabilities to Operating lease liability, (v) contract liabilities from Accrued liabilities to Customer deposits, and (vi) non-current lease obligation to Operating lease obligation, net of current.