Z Squared Inc. (Nasdaq: ZSQR) · Press release · November 24, 2026

Z Squared CEO Issues Third-Quarter Letter to Shareholders Highlighting Debt-Free Balance Sheet, Energized AI Campus Expansion to 150 MW Target, and Active Commercial Tenant Discussions

FORT LAUDERDALE, Fla., Nov. 24, 2026 /PRNewswire/ -- Z Squared Inc. (Nasdaq: ZSQR) today issued a letter to shareholders from Chief Executive Officer David Halabu following the filing of its third-quarter Form 10-Q.

Fellow Shareholders,

This quarter Z Squared completed its shift in focus from digital asset mining to AI infrastructure. It was a defining quarter for us, and I want to walk you through where we stand and where we're headed.

The past few months have been hard on our sector, and I have felt it as a fellow shareholder. But a difficult market tends to blur two very different things: the conditions around a business and the fundamentals underneath it. The conditions have shifted. Financing is more expensive, investors are more cautious, and valuations across public markets have come down. The fundamentals have not. We believe AI still needs far more computing capacity than exists today, and the power to run it is still hard to find. Those fundamentals are why Z Squared exists.

Since we went public, our plan has been to move from digital asset mining into AI infrastructure. In my August letter I described the company as partway through that shift. This quarter we completed it. We directed that the mining fleet be powered down on June 16, and we do not expect to resume mining. We still own roughly 9,800 machines and we are evaluating the best way to realize value from them.

That decision is also what drove our third-quarter net loss of $117.1 million. In our quarter-end review, the accounting question was a simple one: when would the fleet run again? With Dogecoin trading below our breakeven level, and more recently in the mid-5-cent range, near multi-year lows, we could not responsibly put a forecast price or date on it, and under the accounting rules that meant writing off the goodwill tied to the mining business. Approximately 94% of the loss consisted of non-cash impairment charges: $106.9 million on goodwill and $3.4 million on the machines. Neither charge came out of our cash, and they leave us with a balance sheet that reflects the business we are building.

Our focus now is the Union County Campus in El Dorado, Arkansas, which has access to about 8 megawatts of utility power today, on an interruptible basis under the site's existing electric service arrangements. That matters more than the number suggests. We believe demand for land with power already in place continues to outpace supply, as developers compete for sites that can support AI workloads. New grid connections can take years to secure, which makes energized sites like ours increasingly scarce. We have one, we hold an option on land next to it to grow, and we are in active commercial discussions with multiple parties for some or all of the existing 8 megawatts. We have not yet signed a lease or received a binding commitment. Capacity beyond the existing 8 megawatts, including the up to approximately 150 megawatts contemplated by our development plan, remains a development

target and is subject to additional power arrangements, tenant commitments, financing, approvals and construction.

We are also finding ways to get more out of the site we already own. A2 Advisors' initial engineering review indicates that a large portion of the existing 10,000-square-foot mining facility on the campus may be suitable for retrofit, which, if confirmed, could meaningfully reduce the cost and time of our first build-out. A third natural gas pipeline has the potential to run lateral to our property , and we plan to commission a feasibility study to determine how much additional power it could support.

We finished September with $12.4 million in cash and no debt. Management believes our existing cash is sufficient to fund our existing operations and contractual commitments for at least twelve months. As the campus grows, we intend to finance each phase at the project level against a signed tenant lease, so new capacity is built for customers who have already committed.

In August I gave you items to measure us by, and we are delivering on them. Paradox closed on September 8, paid in preferred stock with no cash or debt at closing, and with additional preferred stock issuable only if development milestones are achieved. Site planning and engineering are underway with A2 Advisors, designed around requirements from several prospective tenants. On November 18 we announced a five-year option on approximately 89.56 adjacent acres, which we intend to exercise for an initial tract of up to 10 acres following a survey and site investigations, giving the campus room for a multi-phase path to larger capacity. And we are staying disciplined: major construction spending will follow a signed customer.

I also told you to judge us on how we grow in a measured fashion. We remain debt-free. In recent weeks, tighter credit has weighed on AI infrastructure developers that carry legacy debt. We believe carrying no debt gives us the flexibility to move when the right opportunity comes along, and we are watching closely.

Our priorities for the coming months are clear:

- Finish the site plan and engineering so the existing 8 megawatts is ready for a tenant.
- Secure a first commercial commitment on some or all of that powered capacity.
- Lay the groundwork to expand the campus well beyond 8 megawatts, including the initial land exercise under our option.

We are being deliberate about who we sign. The right tenant on the right terms, financed with discipline, is what we are accountable for and what we intend to deliver.

Our officers hold Z Squared shares alongside you, so we feel this market the same way you do. But market swings don't change the assets we own, the campus we are developing or our belief in both. Our job is to deliver on the priorities in front of us, and then position Z Squared for what comes next.

We believe we made the right move in repositioning this company early, and that repositioning is now behind us. Now comes the part I'm most excited about: putting it to work.

Thank you for your continued support. I look forward to updating you on our progress in the months ahead.

David Halabu
Chief Executive Officer & Director
Z Squared Inc. (Nasdaq: ZSQR)

Source: Dogecoin prices, CoinGecko and Kraken.

About Z Squared Inc.

Z Squared Inc. (Nasdaq: ZSQR) is a computing infrastructure company focused on developing AI-ready data center infrastructure. The Company's approach rests on three principles: lead with power, build for AI workloads, and scale with discipline. More information is available at www.zsquaredinc.com.

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Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements other than statements of historical fact and may be identified by words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "seek," "should," "target," "will," and similar expressions. Forward-looking statements in this press release include, among others, statements regarding the sufficiency of the Company's cash to fund its existing operations and commitments; the Company's plans to lease capacity at the Union County Campus and to sign a first tenant; the Company's commercial discussions with prospective tenants; the Company's development plan and capacity targets for the Union County Campus and its plans to finance development at the project level; the transfer of the Entergy Arkansas electric service agreement into the Company's name; the effect, duration and resolution of the Union County data center construction moratorium; the Company's option to acquire land adjacent to the Union County Campus and its intended exercise of that option; the potential retrofit of the existing facility at the Union County Campus and any resulting cost or schedule savings; the availability of additional power from natural gas infrastructure on the Company's property and the results of any related feasibility study; the Company's evaluation of additional sites and other opportunities; the Company's expectation that it will not resume digital asset mining and its evaluation of alternatives for its mining fleet; the Company's need for, and intentions regarding, additional capital; and the Company's future communications with shareholders.

These statements are based on management's current expectations and are subject to risks and uncertainties, many outside the Company's control, that could cause actual results to differ materially, including, among others: the Company's history of net losses and its ability to obtain the financing necessary to fund its operations and growth strategy; its ability to obtain Entergy Arkansas's consent to the assignment of the electric service agreement, the interruptible nature of that service and the expiration of the agreement's current term in June 2027; Union County Ordinance No. 1795 and any extension of it, and other local or state regulation of data centers; its ability to obtain the approvals, power arrangements, tenant commitments, financing and construction resources needed to develop capacity; the absence of any definitive lease or tenant commitment; the results of engineering reviews

and feasibility studies, which may not confirm preliminary findings; its ability to identify, finance and complete additional site acquisitions on acceptable terms; its limited operating history in AI infrastructure and data center development; the integration of Paradox Data, LLC and the related-person aspects of that transaction; the status of its digital-asset mining fleet and its dispute with its former mining hosting provider, including disputed invoices and the Company's ability to recover and realize value from its mining machines; material weaknesses in its internal control over financial reporting; dilution from future equity issuances, including conversion of its Series A Convertible Preferred Stock; and the other risks described in the Company's filings with the Securities and Exchange Commission, including its Quarterly Report on Form 10-Q for the quarter ended September 30, 2026.

Forward-looking statements speak only as of the date of this press release, and the Company undertakes no obligation to update them except as may be required by applicable law.

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