



THIRD QUARTER PROGRESS REPORT
Q3 2026 BUSINESS & RESEARCH UPDATE
OCTOBER 2ND 2026

INTRODUCTION

Percept AGI continues to advance its long-term vision of developing secure, privacy-focused artificial intelligence systems that operate with minimal external dependencies. As an early-stage, pre-revenue company, our small core team of fewer than five contributors has maintained parallel progress across software architecture, algorithmic research, security infrastructure, and early hardware concepts. This quarter's efforts prioritized foundational systems that strengthen future products and reduce external dependencies, rather than short-term feature releases. Work remained disciplined and exploratory, with several initiatives advancing into prototype and preliminary testing stages.

DEVELOPMENTS FOCUSED ON OUR USER EXPERIENCE

Our UX designer continued to make progress this quarter in the development of our AI's dynamic interface. Preliminary testing with prototyped orchestrators has already begun and is yielding successful early results. These efforts built on the initial prep work for the project completed in the last quarter by further refining the foundation for more natural, efficient user interaction while reinforcing privacy and maintainability.

RESEARCH INTO ALGORITHMIC APPLICATIONS

During the quarter we identified a potentially significant application of our algorithms in quantum computational processing. This direction appears more promising than previously anticipated and may enable more efficient integration with existing systems. We are deliberately taking additional time to investigate these findings thoroughly before any publication.

INTRODUCING A SECURE SEARCH ENGINE

To reduce security risks during initial training stages and minimize the possibility of future operational compromise of our models, we began development of a secure search engine. The system is built around a query design that combines elements of an indexer and a web crawler. Early results indicate lower compute requirements than leading competitors while providing users with information on ten categories of security vulnerabilities for each website, a safety score, and a detailed investigation popup for each issue. Results also include source-type tags to support improved filtering and discernment.



An additional protective layer presents a brief page description and a “proceed to website” confirmation before navigation (with an option to disable the confirmation for frequently visited sites). The landing page is live, featuring a functional URL search bar as a placeholder and an accompanying user advisement statement. The user interface has been fully prototyped and is operational.

Development of the query engine was paused due to a malfunction in the security system and insufficient computational resources for proper testing. Security features required for query operations have produced an oversensitive firewall; we are currently investigating the contributing causes. Server-side query execution risks high compute usage or automated security triggers, so a localized testing environment—potentially including a custom network system—will be required before resuming full engine development.

RESEARCH INTO SENSOR-BASED APPLICATIONS OF OUR SYSTEMS

We are evaluating the feasibility of a gas sensor for industrial and home use. The concept integrates one of our underlying neural architecture designs with embedded sensor systems, with the goal of producing an affordable detection solution suitable for broader markets.

TROUBLE-SHOOTING PRECURSIVE ISSUES WITH SAGE

Although we are excited to continue the development of SAGE, a lot more groundwork must be completed in order to properly train the model and prevent any security vulnerabilities from being created during the build process. We are looking to gain venture capital as well as network to gain access to hardware resources to free ourselves to continue development of our other models and products.

FUNDING AND COMMUNITY INITIATIVES

To support hardware development, we launched an online store offering air-gapped systems in multiple product variants. We are also exploring merchandise designs and opportunities to table at events in order to raise awareness and generate capital for larger technical initiatives.

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. The security-focused search infrastructure, continued interface work, algorithmic investigations, and early hardware explorations collectively strengthen the foundation for future products. We will continue prioritizing controlled, dependency-minimized systems even when this extends development timelines.



CLOSING REMARKS

The third quarter delivered meaningful technical progress alongside necessary pauses for security and resource considerations. These disciplined decisions help ensure the integrity and long-term viability of the systems under development. We appreciate the continued support of our community, collaborators, researchers, and prospective partners as we advance toward the technology of the future.

Angela Trainor
Founder & Chief Executive Officer
PerceptAGI
October 2026