UNITED STATES BANKRUPTCY COURT

DISTRICT OF DELAWARE

In Re. AF Liquidating, LLC § Case No. 26-10183
§
§ Lead Case No. 26-10183
Debtor(s) §

☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 05/31/2026 Petition Date: 02/11/2026

Months Pending: 4 Industry Classification: 8 2 9 9

Reporting Method: Accrual Basis ◉ Cash Basis ○

Debtor's Full-Time Employees (current): 86

Debtor's Full-Time Employees (as of date of order for relief): 96

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☐ Statement of cash receipts and disbursements
- ☐ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☐ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Steven W. Golden
Signature of Responsible Party

06/24/2026
Date

Steven W. Golden
Printed Name of Responsible Party

919 N. Market Street, 17th Floor
Wilmington, DE 19801
Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefo
1320.4(a)(2) applies.

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Debtor's Name AF Liquidating, LLC Case No. 26-10183

Part 1: Cash Receipts and Disbursements		Current Month	Cumulative
a.	Cash balance beginning of month	$6,549,725	
b.	Total receipts (net of transfers between accounts)	$2,803,033	$25,176,250
c.	Total disbursements (net of transfers between accounts)	$-6,054,158	$-22,448,277
d.	Cash balance end of month (a+b-c)	$3,298,601	
e.	Disbursements made by third party for the benefit of the estate	$0	$0
f.	Total disbursements for quarterly fee calculation (c+e)	$-6,054,158	$-22,448,277

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)		Current Month
a.	Accounts receivable (total net of allowance)	$4,112,846
b.	Accounts receivable over 90 days outstanding (net of allowance)	$203,758
c.	Inventory (Book ◉ Market ○ Other ○ (attach explanation))	$5,563,613
d	Total current assets	$31,797,141
e.	Total assets	$112,555,815
f.	Postpetition payables (excluding taxes)	$2,542,923
g.	Postpetition payables past due (excluding taxes)	$0
h.	Postpetition taxes payable	$241,492
i.	Postpetition taxes past due	$0
j.	Total postpetition debt (f+h)	$2,784,414
k.	Prepetition secured debt	$202,224,109
l.	Prepetition priority debt	$110,546
m.	Prepetition unsecured debt	$27,681,845
n.	Total liabilities (debt) (j+k+l+m)	$234,800,915
o.	Ending equity/net worth (e-n)	$-122,245,100

Part 3: Assets Sold or Transferred		Current Month	Cumulative
a.	Total cash sales price for assets sold/transferred outside the ordinary course of business	$0	$0
b.	Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	$0	$0
c.	Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	$0	$0

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)		Current Month	Cumulative
a.	Gross income/sales (net of returns and allowances)	$504,899	
b.	Cost of goods sold (inclusive of depreciation, if applicable)	$-86,940	
c.	Gross profit (a-b)	$417,959	
d.	Selling expenses	$0	
e.	General and administrative expenses	$-86,342	
f.	Other expenses	$-21,429,830	
g.	Depreciation and/or amortization (not included in 4b)	$0	
h.	Interest	$-1,150,788	
i.	Taxes (local, state, and federal)	$0	
j.	Reorganization items	$0	
k.	Profit (loss)	$-22,249,001	$-34,053,930

Debtor's Name AF Liquidating, LLC Case No. 26-10183

Part 5: Professional Fees and Expenses

				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) *Aggregate Total*			$2,024,703	$2,024,702	$2,024,702	$2,024,702
	Itemized Breakdown by Firm						
		Firm Name	Role				
	i	Verita Global LLC	Financial Professional	$199,385	$199,385	$199,385	$199,385
	ii	PSZ&J LLP	Lead Counsel	$1,081,363	$1,081,363	$1,081,363	$1,081,363
	iii	Womble Bond Dickinson LLP	Special Counsel	$45,138	$45,138	$45,138	$45,138
	iv	FTI Consulting Inc.	Financial Professional	$167,121	$167,121	$167,121	$167,121
	v	Willkie Farr & Gallagher LLP	Lead Counsel	$401,754	$401,754	$401,754	$401,754
	vi	Holland & Knight LLP	Lead Counsel	$129,941	$129,941	$129,941	$129,941
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				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
b.	Debtor's professional fees & expenses (nonbankruptcy) *Aggregate Total*			$0	$0	$0	$0
	Itemized Breakdown by Firm						
		Firm Name	Role				
	i			$0	$0	$0	$0
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c.	All professional fees and expenses (debtor & committees)			$0	$0	$0	$0

Part 6: Postpetition Taxes		Current Month	Cumulative
a.	Postpetition income taxes accrued (local, state, and federal)	$0	$0
b.	Postpetition income taxes paid (local, state, and federal)	$0	$0
c.	Postpetition employer payroll taxes accrued	$0	$0
d.	Postpetition employer payroll taxes paid	$20,626	$142,301
e.	Postpetition property taxes paid	$0	$0
f.	Postpetition other taxes accrued (local, state, and federal)	$241,492	$0
g.	Postpetition other taxes paid (local, state, and federal)	$0	$0

Part 7: Questionnaire - During this reporting period:

a.	Were any payments made on prepetition debt? (if yes, see Instructions)	Yes ◉	No ○
b.	Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions)	Yes ○	No ◉
c.	Were any payments made to or on behalf of insiders?	Yes ◉	No ○
d.	Are you current on postpetition tax return filings?	Yes ◉	No ○
e.	Are you current on postpetition estimated tax payments?	Yes ◉	No ○
f.	Were all trust fund taxes remitted on a current basis?	Yes ◉	No ○
g.	Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions)	Yes ◉	No ○
h.	Were all payments made to or on behalf of professionals approved by the court?	Yes ○	No ○ N/A ◉
i.	Do you have: Worker's compensation insurance?	Yes ◉	No ○
	If yes, are your premiums current?	Yes ◉	No ○ N/A ○ (if no, see Instructions)
	Casualty/property insurance?	Yes ◉	No ○
	If yes, are your premiums current?	Yes ◉	No ○ N/A ○ (if no, see Instructions)
	General liability insurance?	Yes ◉	No ○
	If yes, are your premiums current?	Yes ◉	No ○ N/A ○ (if no, see Instructions)
j.	Has a plan of reorganization been filed with the court?	Yes ◉	No ○
k.	Has a disclosure statement been filed with the court?	Yes ◉	No ○
l.	Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930?	Yes ◉	No ○

Debtor's Name AF Liquidating, LLC Case No. 26-10183

Part 8: Individual Chapter 11 Debtors (Only)

a.	Gross income (receipts) from salary and wages	$0
b.	Gross income (receipts) from self-employment	$0
c.	Gross income from all other sources	$0
d.	Total income in the reporting period (a+b+c)	$0
e.	Payroll deductions	$0
f.	Self-employment related expenses	$0
g.	Living expenses	$0
h.	All other expenses	$0
i.	Total expenses in the reporting period (e+f+g+h)	$0
j.	Difference between total income and total expenses (d-i)	$0
k.	List the total amount of all postpetition debts that are past due	$0
l.	Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes ○ No ◉
m.	If yes, have you made all Domestic Support Obligation payments?	Yes ○ No ○ N/A ◉

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." *See* 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

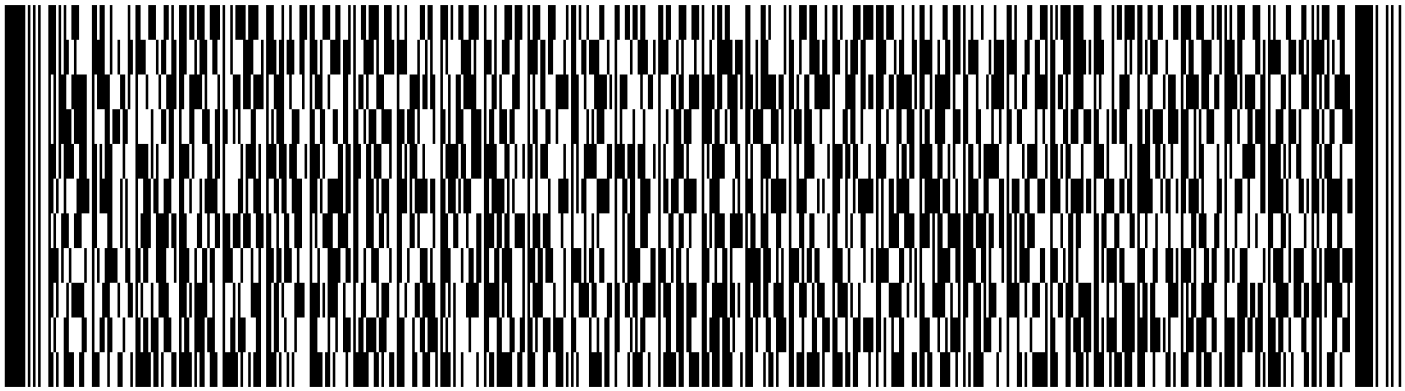
/s/ Marc Sullivan
Signature of Responsible Party

Marc Sullivan
Printed Name of Responsible Party

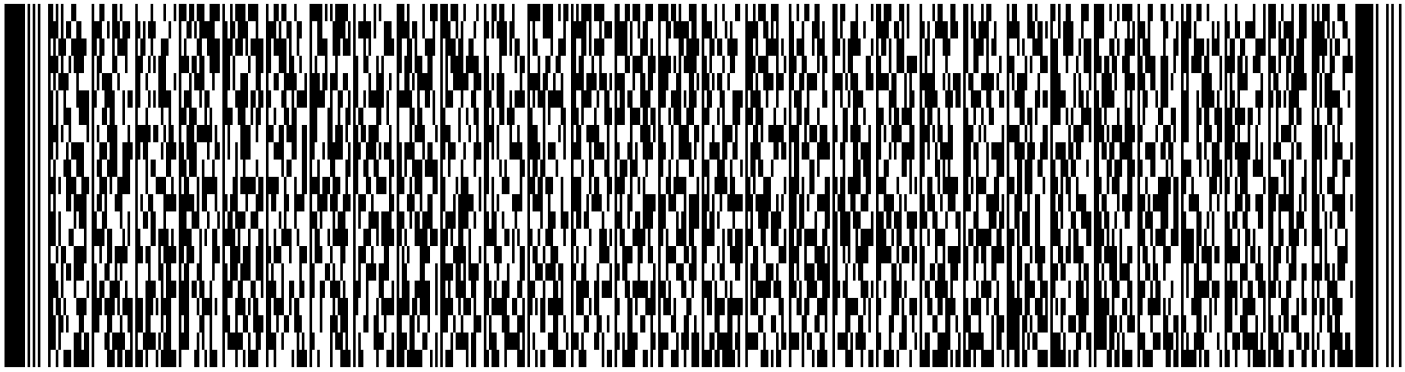
Chief Financial Officer
Title

06/24/2026
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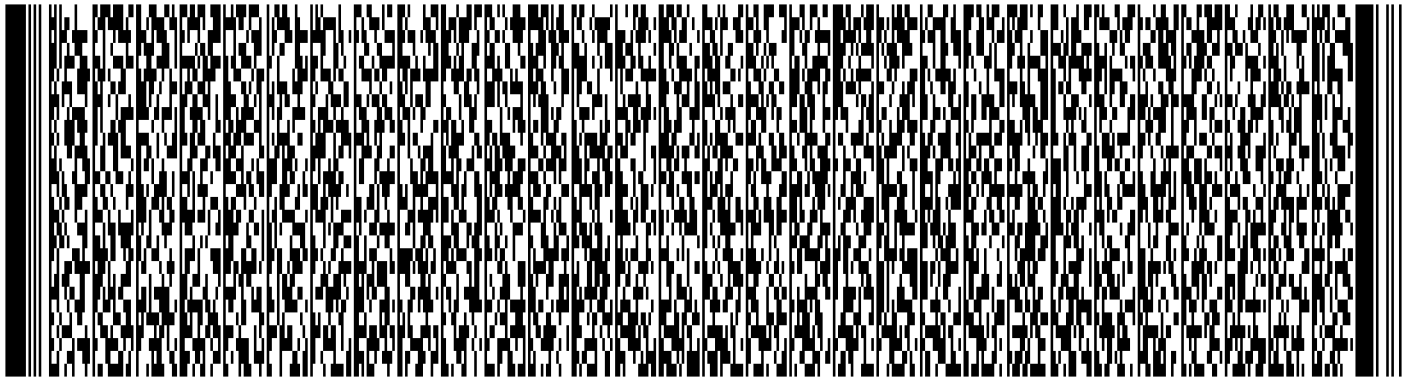
Debtor's Name AF Liquidating, LLC Case No. 26-10183



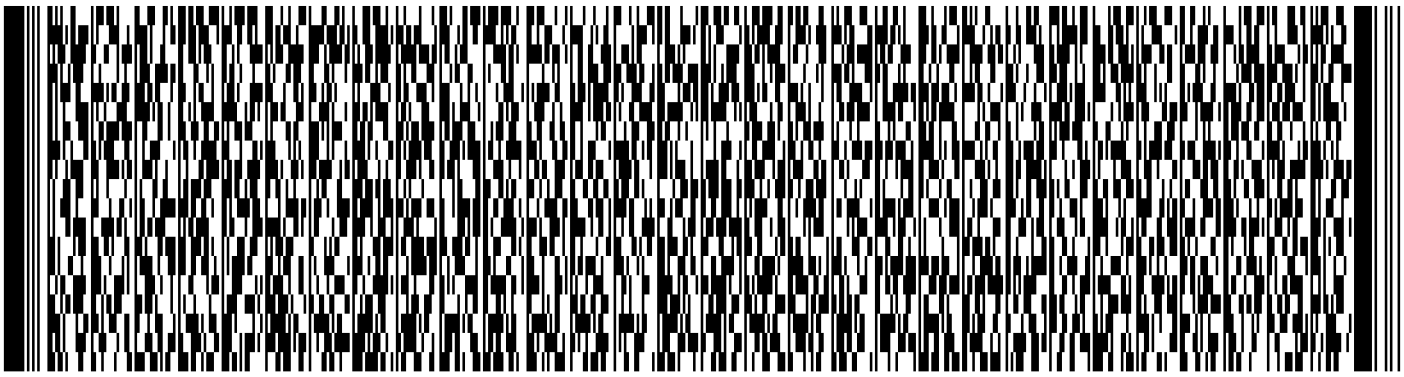
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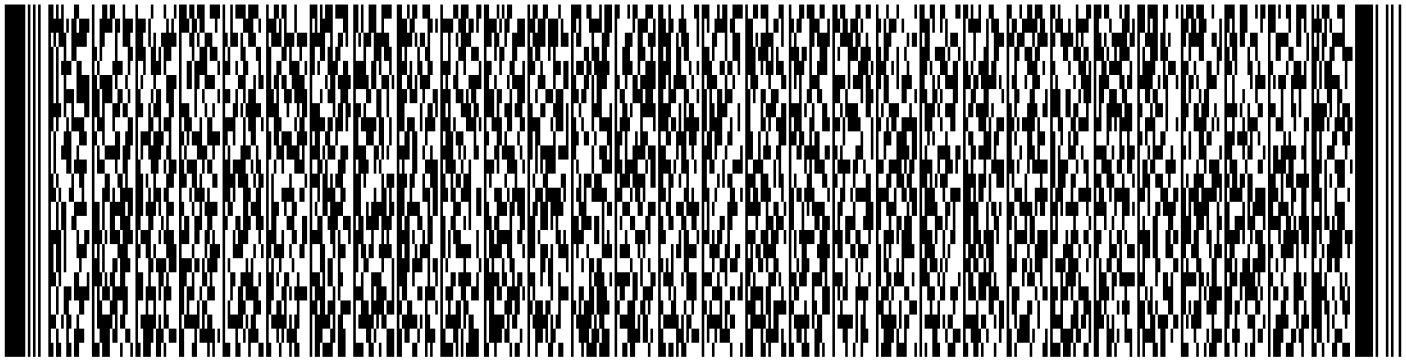


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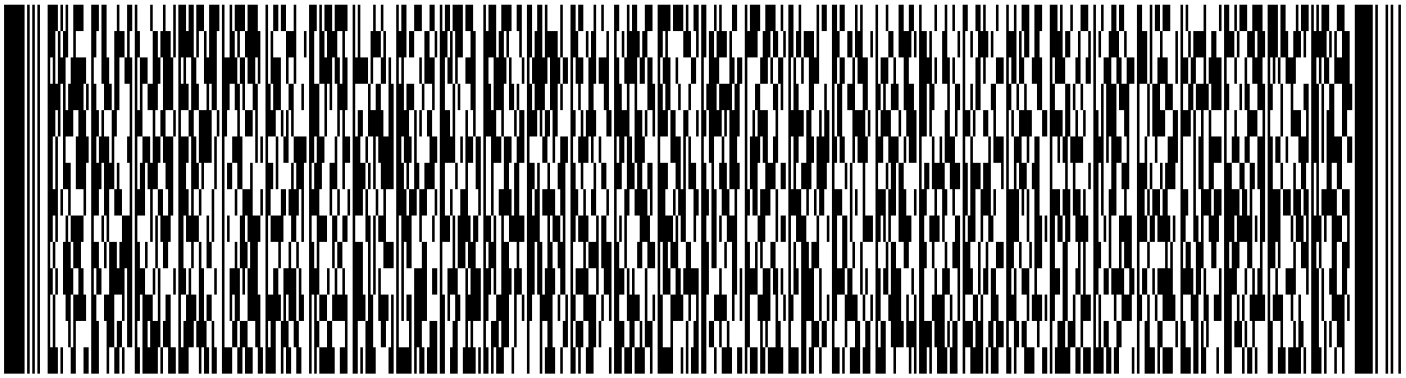


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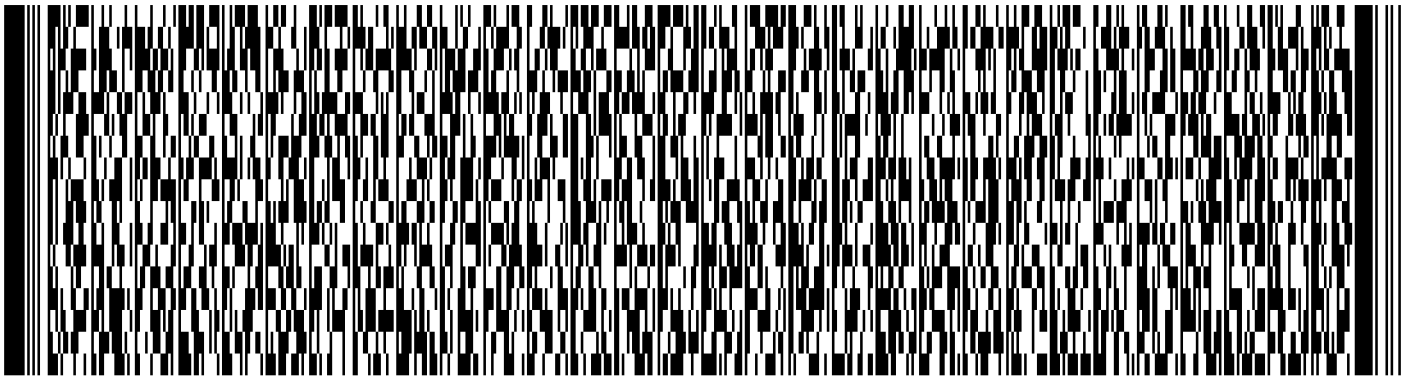
Debtor's Name AF Liquidating, LLC Case No. 26-10183



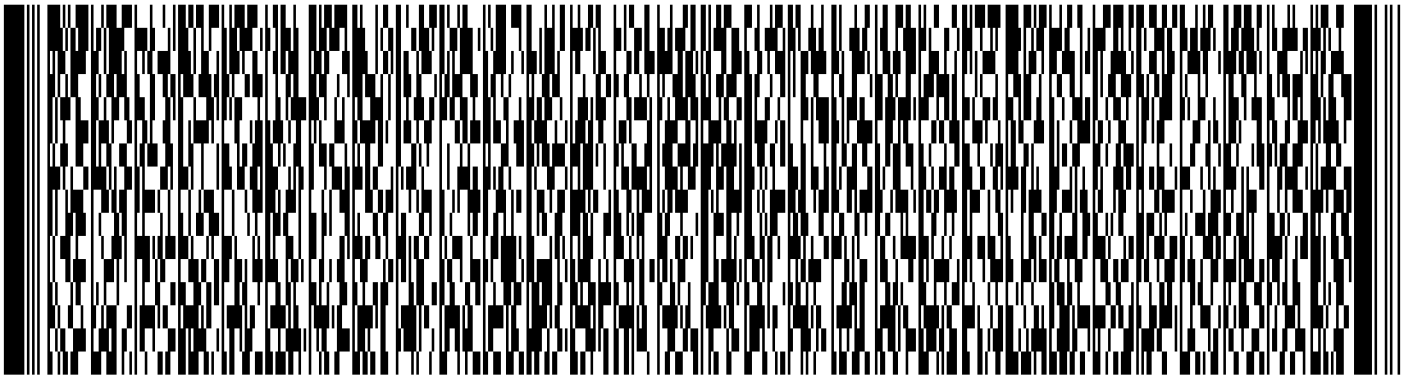
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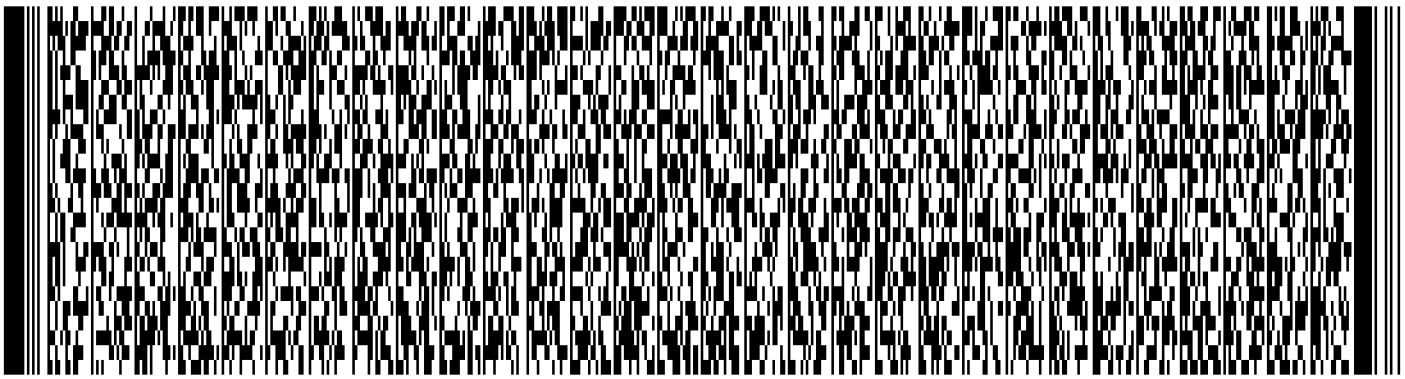


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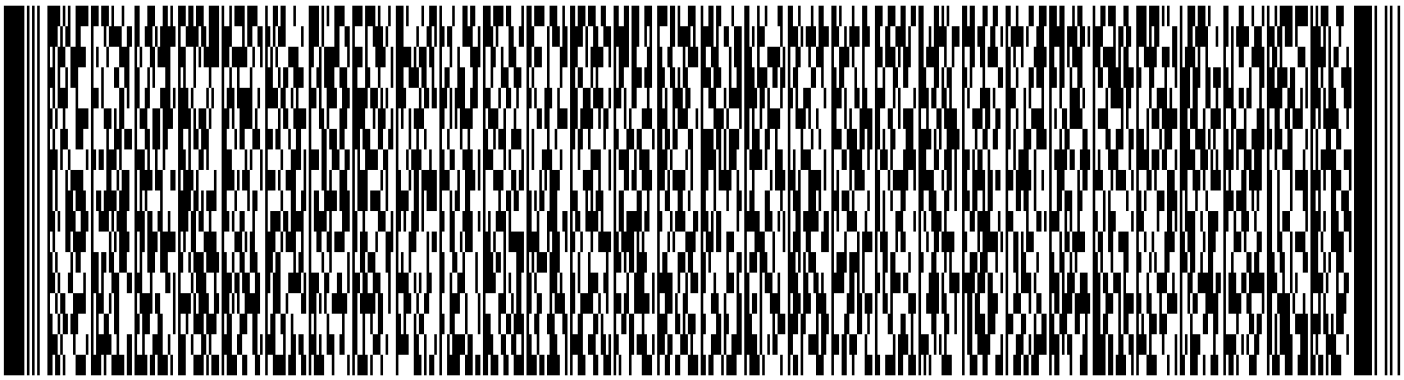


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Debtor's Name AF Liquidating, LLC Case No. 26-10183



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PageFour

In re: AF Liquidating, LLC, et al. **Case No. 26-10183 (MFW)**
(Jointly Administered)

Reporting Period: May 2026

Global Notes, Clarifications, and Disclaimers to Monthly Operating Report

General: On February 11 and 12, 2026, as applicable (the "Petition Date"), AF Liquidating, LLC f/k/a Avenger Flight Group, LLC and certain of its affiliates (collectively, the "Debtors") each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Debtors' chapter 11 cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1 for the Bankruptcy Court under the caption *In re AF Liquidating, LLC., et al.*, Case No. 26-10183 (MFW), pursuant to an order entered by the Bankruptcy Court on February 13, 2026 [Docket No. 54].

The following notes, clarifications, and disclaimers (these "Global Notes") should be referred to, and referenced in connection with, the review of each of the Debtors' Monthly Operating Reports (inclusive of all attachments and supporting documentation, the "MORs"). These Global Notes pertain to and comprise an integral part of each of the MORs, and to the extent the MORs conflict with these Global Notes, these Global Notes shall control.

Basis of Presentation. The MORs are unaudited and have been prepared solely for the purpose of complying with the Debtors' obligations to provide monthly operating reports during these chapter 11 cases. The MORs are not prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and do not include all information and disclosures required by U.S. GAAP. Therefore, there can be no assurance that the financial information presented herein is complete or accurate, and readers are strongly cautioned not to place undue reliance on the MORs. The Debtors have prepared the MORs using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Thus, the MORs are true and accurate to the best of the Debtors' knowledge, information, and belief based on currently available data.

The Debtors prepared the MORs relying primarily upon the information set forth in their books and records. The MORs may exclude information regarding non-Debtor affiliates. Furthermore, the monthly financial information contained herein has not been subjected to the same level of accounting review and testing that the Debtors apply when preparing their quarterly and annual consolidated financial information in accordance with U.S. GAAP. Accordingly, upon the application of such procedures, the Debtors believe that the financial information may be subject to change, and these changes could be material.

The MORs should not be relied upon by any persons for information relating to current or future financial condition, events, or performance of any of the Debtors or their affiliates, as the results of operations contained herein are not necessarily indicative of results that may be expected from any other period or for the full year and may not necessarily reflect the combined results of operations, financial position, and schedule of receipts and disbursements in the future. There can

be no assurance that such information is complete, and the MORs may be subject to revision. The financial information contained herein may not reflect the consolidated financial results and activity. The following notes, statements, and limitations should be referred to, and referenced in connection with, any review of the MORs.

In future periods, any changes to prior period balances will be reflected in the then-current month's MORs.

Each signatory to the MORs has necessarily relied upon the efforts, statements, advice, and representations of personnel of the Debtors and their agents, advisors, attorneys, and other professionals. Each signatory has not (and could not have) personally verified the accuracy of each such statement, representation, and answer contained in the MORs.

Reporting Period. This is the second MOR to be filed since the Petition Date and includes details for the Debtors' fiscal month ending May 31, 2026 (May 1, 2026 through May 31, 2026, the "Reporting Period").

Consolidated Entity Accounts Payable, Disbursements Systems, and Bank Accounts. Cash is received and disbursed by the Debtors as described in the *Motion for Entry of Interim and Final Orders Authorizing the Debtors to (A) Continue Operating Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Authorizing Maintenance of Corporate Credit Card Program; and (E) Granting Related Relief* [Docket No. 10] (the "Cash Management Motion") as approved in the orders granting the relief requested in the Cash Management Motion on an interim basis [Docket No. 86 and 143] (the "Interim Cash Management Orders").

Accuracy. The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable non-bankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information. Certain expense categories have been reclassified to fit the appropriate MOR categories.

Employees. All of the Debtors' full-time employees are or were employed by Debtor AF Liquidating, LLC ("AFL LLC") prior to the closing of the Sale (defined below) during the Reporting Period. To comply with foreign law requirements, AFL LLC transmitted a portion of the payroll for one employee to AF Group Europe Liquidating, Corp. ("AFL Europe") for payment and a portion of the payroll for two employees to Debtor AF Mexico Liquidating ("AFL Mexico") for payment. These payroll amounts are included in the MORs for AFL Europe and AFL Mexico.

Payment of Pre-Petition Claims Pursuant to First Day Orders. The Bankruptcy Court has entered orders authorizing, but not directing, the Debtors to pay, among other things, certain pre-petition claims and related obligations; (collectively, the "First Day Orders"). All payments made by the Debtors on account of prepetition claims during the Reporting Period (and included

in the disbursements reported herein), were authorized under First Day Orders granted by the Bankruptcy Court.

Sale of Assets. On April 6, 2026, the Court entered its Order [Docket No. 292] (the "Sale Order") approving the sale of substantially all of the Debtors Assets, as more fully set forth therein. The Sale (as defined in the Sale Order) closed on May 9, 2026 (the "Closing Date"). *See* Docket No. 394. Additionally, on May 14, 2026, the Court entered it order approving the sale of certain Medellin Simulators [Docket No. 404].

Dismissal of Certain Debtors and Case Caption. On June 1, 2026, the Court entered its *Order (I) Dismissing Certain of the Debtors' Casses and (II) Authorizing Change of Case Caption* [Docket No. 455] (the "Dismissal Order"). The Dismissal Order, *inter alia*, dismissed Debtors Avenger Flight Training, LLC and Avenger Flight Group Mexico II, S. de R.L. de C.V. (together, the "Acquired Debtors") as of the Closing Date. As such, the MORs for the Acquired Debtors report information only through the Closing Date in accordance with the Dismissal Order. Additionally, the Dismissal Order authorized the changing of the case caption in connection with the changing of the Debtors' names following the Sale. As such, the MORs are reported under such revised names.

Intercompany Transactions. The MORs reflect balances for payables and receivables between the various Debtors.

Prepetition Secured Debt. The amount of prepetition secured debt reflected in Part 2(k) of the MORs reflect the Debtors' best estimate of the asserted amounts of secured debt as of the Petition Date, without regard to any transactions, transfers, orders, or other events following the Petition Date, and without regard to the value of any collateral underlying the asserted secured obligations. The Debtors have not included secured obligations unless the applicable Debtor is the direct obligor/borrower (i.e., not included where a Debtor is a guarantor). As of the filing of these MORs, the Debtors have filed their Statements of Financial Affairs and Schedules of Assets and Liabilities (collectively, the "Schedules"). *See* Docket Nos. 202-243.

Prepetition Priority and Unsecured Debt. The amounts of prepetition priority and unsecured debts reflected in Part 2(l)-(m) of the MORs reflect the Debtors' understanding of such amounts as of the date hereof as reflected in the Debtors' accounting records and/or books and records, which may not reflect certain amounts reflected in proofs of claim.

Payments to Insiders. With respect to insiders, all cash payments made were on account of ordinary course salaries and authorized travel and expense reimbursements in accordance with the First Day Orders. Additionally, the Debtors' designation of any party as an "insider" or exclusion of a particular party from the insiders identified in the MORs is not an admission that a particular party is or is not an "insider" within the meaning of section 101(31) of the Bankruptcy Code. The Debtors expressly reserve all rights, including with respect to the determination of whether a party is or is not an insider.

Payments to Professionals. Pursuant to the Bankruptcy Court's order authorizing the Debtors' postpetition secured financing [Docket Nos. 59 and 160] (the "DIP Orders"), the Debtors fund certain professional fee payments and expense reimbursements (the "Budgeted Professional

Fees") into a segregated account maintained by the Debtors' general bankruptcy counsel (the "Professional Fee Account") in accordance with the Budget (as such term is defined in the DIP Orders), which amounts are held in trust for the payment of professional fees and expenses. The funding of the Budgeted Professional Fees to the Professional Fee Account is not contained within the MORs; rather, professional fees and expenses will be reported in the periods in which amounts are disbursed from the Professional Fee Account or otherwise paid by the estates following the interim or final allowance thereof by the Bankruptcy Court. Certain professional fees disbursed in April were inadvertently excluded from such MORs and have been included in the May MORs.

Reservation of Rights. The Debtors reserve all rights to amend or supplement the MORs in all respects, as may be necessary or appropriate. Nothing contained in this MOR shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases or otherwise.