

KIDZ

DILUTION MACHINE

small-cap

low-float

dilution

AI infrastructure

premarket movers

NASDAQ

ELOC

KIDZ Runs Again on a \$44.6M GPU Deal — Run One's Round Trip Is the Textbook for Run Two

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◆ DESK TAKE

Gapping premarket July 21 on a \$44.6M five-year GPU compute deal with Canopy Wave — real contract, but contingent on KIDZ placing a non-cancellable hardware order it can't fund from cash. Float is ~2M shares against a \$100M Chardan ELOC with 151M shares registered (S-1/A filed July 16) — supply defines this tape, same as the July 6 run that round-tripped from \$1.39 to \$0.41. Watch \$1.30 resistance (then \$1.39) and the \$1.00/VWAP shelf into the open.

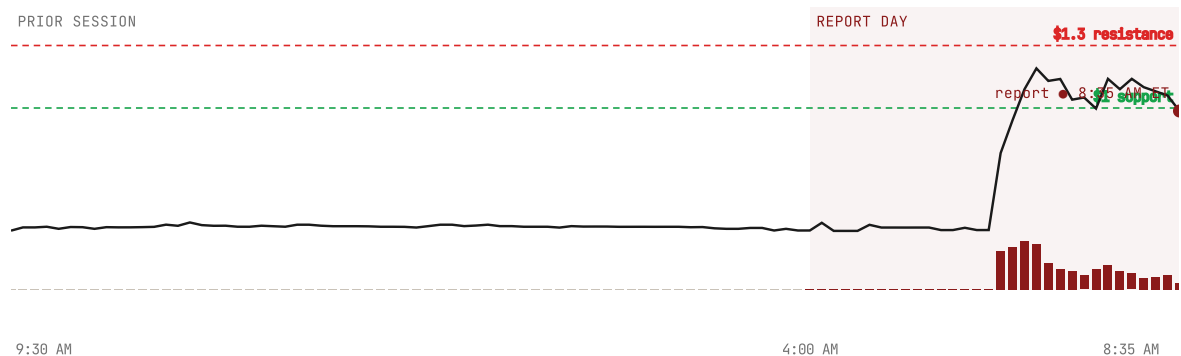
DATA BOX

Price	\$1.06
Change	+157.22%
Volume	116.06M
Float	2.05M
Mkt cap	\$2.18M

MECHANICS

Roughly 2M shares outstanding (float nearly the entire count) following a 1-for-10 reverse split effective June 2026; warrants also trade as KIDZW. A \$100M ChEF equity-line facility with Chardan Capital Markets is in place, with an S-1 (June 29) and S-1/A (July 16) registering up to 151.1M Class B shares for resale. Company (formerly Classover Holdings) posted a roughly \$7M FY net loss with ongoing quarterly cash burn.

KIDZ — PRIOR SESSION → REPORT TIME



DATA BOX — MACHINE-VERIFIED

Data Box — KIDZ · as of 8:49 AM ET, 2026-07-21 · Pre-market session

METRIC	VALUE
Price	\$1.06
Previous close	\$0.41
Change	+157.22%
Volume (premarket)	116.06M
Float	2.05M
Shares outstanding	2.06M
Market cap	\$2.18M
52-week range	\$0.40 - \$1,625.00
Avg daily volume (20d)	11.29M
Relative volume	N/A (premarket)

All figures machine-sourced from market data APIs at publication time.

KIDZ is running again in Tuesday's premarket (this written at 8:49 AM ET, July 21), and this time the catalyst is a real contract. KIDZ AI announced a definitive agreement under which Canopy Wave is expected to pay it \$44.6

million for GPU compute leasing over an initial five-year term, with 256 NVIDIA Blackwell B300 GPUs leased and deployed under the contract. Before you decide what that's worth, look at what this same ticker did two weeks ago. We covered run one on July 6, when KIDZ doubled on a company-announced award and printed \$1.39 at our report. By Monday July 20 it closed at \$0.41 — a full round trip in ten sessions, finishing at the floor of its 52-week range. That postmortem is your syllabus for this morning.

The catalyst, and the sentence buried in it

The deal is real and it's large relative to the company — call it roughly \$9 million a year against a business that posted a net loss of about \$7 million last fiscal year. But read the fine print: the agreement is subject to the company's subsidiary, Catalyst Compute LLC, placing a non-cancellable order for the GPU servers necessary to perform its services. Translation: KIDZ has to buy the hardware before the revenue exists. A micro-cap burning cash doesn't fund a Blackwell cluster out of the checking account. Which brings us to the machinery.

How the machine works — a short lesson in ELOCs

An equity line of credit lets a company sell newly issued stock into the market whenever there's liquidity to absorb it. KIDZ has one, and it's enormous relative to the float. Under a ChEF Purchase Agreement dated May 21, 2026 with Chardan Capital Markets, the company has the right to sell Chardan up to \$100 million in newly issued Class B shares, and its S-1 registers up to 151,112,186 shares for resale — the same 151M shares of offstage paper we flagged in run one. An S-1/A followed on July 16, five days ago, moving that registration closer to effective. Set that against a share

count of barely two million, post the 1-for-10 reverse split effected in June. If drawn meaningfully, the facility doesn't dilute the float — it replaces it, many times over. Every high-volume headline day is exactly the liquidity window this structure is built to use. The GPU deal may even require it. That's not a moral judgment; it's the funding mechanism, and supply is a trading fact.

Context on the issuer: KIDZ AI is the former Classover Holdings, a K-12 AI education provider that has layered on neocloud infrastructure, robotics collaborations, and a digital asset treasury repositioned toward the Hyperliquid ecosystem — a lot of narratives for a company this size.

The levels for run two

Premarket has already turned the sub-3M float over dozens of times — that's squeeze-grade churn on top of the dilution setup. The bracket: \$1.30, the premarket high, is first resistance, with the July 6 run-one print at \$1.39 just above it as the ceiling that broke the last rally. Support sits at the \$1.00 area, roughly premarket VWAP. Hold above VWAP into the open and demand is still eating supply; lose \$1.00 early on heavy prints and you're watching the run-one script replay toward last week's low-\$0.60s shelf. Expect halt risk on any 150%+ gapper, and watch EDGAR — an effectiveness notice on that S-1 changes the supply picture the moment it hits.

This is not investment advice; do your own research and size for the volatility this structure implies.

MECHANICS BOX — THE STRUCTURAL READ

- Shares outstanding: 2.06M · Float: 2.05M
- Dilution-relevant SEC filings (30d): S-1/A (2026-07-16), S-1 (2026-06-29)
- Splits: 1-for-10 reverse (2026-06-08), 1-for-50 reverse (2026-03-10)

- Roughly 2M shares outstanding (float nearly the entire count) following a 1-for-10 reverse split effective June 2026; warrants also trade as KIDZW. A \$100M ChEF equity-line facility with Chardan Capital Markets is in place, with an S-1 (June 29) and S-1/A (July 16) registering up to 151.1M Class B shares for resale. Company (formerly Classover Holdings) posted a roughly \$7M FY net loss with ongoing quarterly cash burn.

The Setup: This is a Dilution Machine play — read the pattern guide to learn how these setups typically unfold.

This report is for informational purposes only and does not constitute investment advice. Always conduct your own due diligence before making any investment decision.