BREADCOIN FOUNDATION LTD
AND SUBSIDIARY

AUDITED CONSOLIDATED
FINANCIAL STATEMENTS

Year ended June 30, 2026

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Breadcoin Foundation Ltd
Washington, DC

Opinion

We have audited the accompanying consolidated financial statements of Breadcoin Foundation Ltd and Subsidiary (a nonprofit organization), which comprise of the consolidated statement of financial position as of June 30, 2026, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Breadcoin Foundation Ltd and Subsidiary as of June 30, 2026, and the changes in their net assets and their cash flows for the year then then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Breadcoin Foundation Ltd's and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 Breadcoin Foundation Ltd and Subsidiary'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Breadcoin Foundation Ltd and Subsidiary'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.

Horizk & Company, P.L.C.

Vienna, Virginia
October 30, 2026

BREADCOIN FOUNDATION LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2026

ASSETS		
Cash	$	347,289
Certificates of deposit		755,189
Accounts receivable		10,512
Grants receivable		70,000
Micro loans receivable, net		25,653
Breadcoin inventory		40,900
Prepaid expenses		17,823
Operating lease right-of-use asset		34,604
		1,301,970
PROPERTY AND EQUIPMENT		
Computer		1,007
Vehicles		30,952
Accumulated depreciation		(6,678)
		25,281
WEBSITE, net		2,947
TRADEMARK		1,950
SECURITY DEPOSIT		3,000
TOTAL ASSETS	$	1,335,148
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$	13,770
Deferred revenue		1,100
Liability for Breadcoins not yet redeemed		433,689
		448,559
OPERATING LEASE LIABILITY		36,336
NET ASSETS		
Without donor restrictions		
Undesignated		751,975
With donor restrictions		98,278
		850,253
TOTAL LIABILITIES AND NET ASSETS	$	1,335,148

See accompanying notes and independent auditors' report.

BREADCOIN FOUNDATION LTD
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2026

	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$ 507,306	$ 50,052	$ 557,358
Donated legal services	18,000	-	18,000
Sale of Breadcoin and related fees	86,109	-	86,109
Investment and interest income	40,079	-	40,079
Other income	898	-	898
TOTAL SUPPORT AND REVENUE	652,392	50,052	702,444
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of contributions and grants restrictions	92,426	(92,426)	-
TOTAL SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS	744,818	(42,374)	702,444
EXPENSES			
Program	923,650	-	923,650
General and administrative	158,424	-	158,424
Fundraising	87,190	-	87,190
	1,169,264	-	1,169,264
DECREASE IN NET ASSETS	(424,446)	(42,374)	(466,820)
NET ASSETS AT BEGINNING OF YEAR	1,176,421	140,652	1,317,073
NET ASSETS AT END OF YEAR	$ 751,975	$ 98,278	$ 850,253

See accompanying notes and independent auditors' report.

BREADCOIN FOUNDATION LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	$ (466,820)
Adjustment to reconcile net decrease in net assets to net cash used by operating activities:	
Depreciation of property and equipment	6,391
Amortization of website	2,011
Amortization of operating lease right-of-use asset	15,422
Amortization of discount on grants receivable	1,000
Reinvested interest	(5,189)
Microloan payments received in Breadcoin	54,277
Changes in operating assets and liabilities:	
Accounts receivable	(239)
Grants receivable	66,150
Breadcoin inventory	10,082
Prepaid expenses	(9,783)
Security deposit	(3,000)
Accounts payable and accrued expenses	(1,659)
Deferred revenue	1,100
Liability for Breadcoins not yet redeemed	198,537
Operating lease liability	(12,361)
NET CASH USED BY OPERATING ACTIVITIES	(144,081)
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash advanced for microloans	(59,056)
Investment in certificates of deposit	(1,125,000)
Maturities of certificates of deposit	1,475,000
Purchase of property and equipment	(30,953)
NET CASH PROVIDED BY INVESTING ACTIVITIES	259,991
INCREASE IN CASH	115,910
CASH AT BEGINNING OF YEAR	231,379
CASH AT END OF YEAR	$ 347,289
SUPPLEMENTAL INFORMATION	
Cash paid for amounts included in the measurement of operating lease liability	$ 14,499
Right-of-use assets obtained in exchange for new operating lease liability	$ 45,135

See accompanying notes and independent auditors' report.

NOTE 1 - NATURE OF ACTIVITIES

Breadcoin Foundation Ltd ("Breadcoin") was incorporated in the District of Columbia on November 28, 2017. Breadcoin mints and distributes Breadcoins, a food token that works like a community-wide gift certificate for the purchase of food at participating locations. The community uses Breadcoins to ensure the hungry are fed, to set community tables inclusive of marginalized populations, and to promote food vendors that are committed to feeding their communities. Breadcoin serves communities in Washington, D.C., Virginia, Maryland, Florida, and Pennsylvania. Breadcoin funds its programs and supporting services primarily through contributions, grants, and sales of Breadcoins.

Tabling Events LLC (the "LLC") was formed in Delaware on May 27, 2025. Breadcoin is the sole member of the LLC. The LLC was formed to provide event support services in the community, including the setup and breakdown of tabling events and the provision of tables, chairs, and other necessary equipment. Through June 30, 2026, the LLC's services have been provided only to Breadcoin.

Breadcoin and the LLC are collectively referred to as the "Foundation" in these consolidated financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Breadcoin Foundation Ltd and the LLC. Breadcoin Foundation Ltd is the sole member of the LLC and holds a controlling financial interest in it; therefore, the LLC is consolidated in accordance with accounting principles generally accepted in the United States of America. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, revenues and expenses are recognized in the period to which they relate.

Basis of Presentation

In accordance with the *Not-For-Profit Entities-Presentation of Financial Statements* sub topic of the FASB Accounting Standards Codification, the Foundation reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors that will be satisfied by action of the Foundation or by the passage of time.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

Contributions are accounted for in accordance with the *Not-For-Profit Entities - Revenue Recognition* topic of the FASB Accounting Standards Codification. Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished) net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities as net assets released from restrictions. Contributions with donor restrictions that are received and released in the same year are reported as contributions without donor restrictions in the consolidated statement of activities.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded as revenue at their fair values in the period received. Donated legal services are valued at discounted hourly rates charged for those services.

During the year ended June 30, 2026, the Foundation received contributed legal services valued at $18,000. The fair value of legal services has been recognized as a general and administrative expense and an in-kind contribution in the accompanying consolidated financial statements.

Sale of Breadcoins and Related Fees

The Foundation's revenue from contracts with customers (purchasers of Breadcoins) consists of the sale of Breadcoins and related fees. All revenue from the sale of Breadcoins and related fees is recognized at the time the Breadcoin is sold, and payment is due at the time of the sale. Contract receivables from purchasers of Breadcoins were $10,262 and $10,273 at June 30, 2026 and 2025, respectively. Contract liabilities, consisting of deferred revenue from ticket sales for a future event, were $1,100 and $0 at June 30, 2026 and 2025, respectively. There were no contract assets at June 30, 2026 or 2025.

Financial and Credit Risks

The Foundation maintains cash balances in financial institutions, which at times may exceed Federally insured limits. The Foundation has not experienced any credit losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash.

The Foundation maintains certificates of deposit which at times may exceed Federally insured limits. The Foundation is exposed to various risks such as market and interest rate fluctuations on its certificates of deposit.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash
Cash consists of deposit accounts at a bank.

Certificates of Deposit
Certificates of deposit are reported at cost plus accrued interest. The certificates bear interest at rates ranging from 3.44% - 3.63% and mature between September 2026 and October 2026. All certificates mature within one year of the consolidated statement of financial position date. Early withdrawal prior to maturity may be subject to penalty.

Accounts Receivable
Accounts receivable are reported on the statement of financial position at outstanding principal balance adjusted for any write-offs. Uncollectible accounts receivable are written off when they are finally determined to be uncollectible. Receivables are considered past due based on contractual payment terms. No allowance for credit losses on accounts receivable is considered necessary at June 30, 2026.

Grants Receivable
Unconditional grants are recognized as revenues in the period received. Conditional grants are recognized only when the conditions on which they depend are substantially met and the grant becomes unconditional. Grants receivable are reported in the consolidated statement of financial position at the outstanding grants balance adjusted for any write-offs and an allowance for doubtful accounts. No allowance for doubtful accounts was necessary at June 30, 2026. Grants receivable are expected to be collected within the following year.

Micro Loans Receivable
Micro loans receivable are recorded at their outstanding principal balance plus accrued interest. Interest on micro loans receivable is recorded as earned over the term of the loan. Micro loans receivable are considered past due based on contractual payment terms. An allowance is made for credit losses on micro loans receivable based on management's judgment past collection experience, reasonable and supportable forecasts, and other relevant factors. Uncollectible micro loans receivable are written off when it is finally determined they are uncollectible.

Breadcoin Inventory
Inventory, which consists of Breadcoins, is recorded at the lower of cost (average cost method) or net realizable value.

Property and Equipment
Property and equipment are recorded at cost, if purchased, or fair value if donated. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets of five years. As of July 1, 2025, the Foundation's policy is to capitalize all purchases or donations of property and equipment in excess of $5,000 ($500 prior to July 1, 2025).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Website
The Foundation's website is amortized over 5 years. At June 30, 2026, the website had a gross cost of $10,050 and accumulated amortization of $7,103.

Trademark
The trademark is recorded at cost. The trademark is considered to have an indefinite useful life and is tested annually for impairment. Management has determined the trademark is not impaired at June 30, 2026.

Liability for Breadcoins not yet Redeemed
The Foundation records a liability for Breadcoins that have been and are expected to be redeemed at participating vendors. When a vendor redeems Breadcoins, the Foundation pays the vendor the Breadcoin's redemption value, and the liability is reduced. Changes in the liability are recognized as program expense in the consolidated statement of activities.

The liability is reported net of estimated breakage. Based on its redemption experience to date, the Foundation estimates that approximately 3.2% of Breadcoins distributed will not be redeemed. Because the Foundation's redemption history is limited, it is reasonably possible that this estimate will change in the near term as additional experience is accumulated. Changes in the breakage estimate are recognized in the period in which they occur.

Functional Allocation of Expenses
The cost of providing program and other activities has been summarized on a functional basis in the consolidated statement of activities. Expenses directly attributable to a specific functional area of the Foundation are reported as expenses of those functional areas. Salary and benefit expenses have been allocated across program and other supporting services based on the estimated time and effort spent by the employees in each area. Depreciation and amortization expense has been allocated based on the salary and benefit expense allocation. Rent has been allocated based on estimated square footage used by each functional area.

Income Taxes
The Foundation is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. As of June 30, 2026, the federal and state statute of limitations remains open for the December 31, 2023 through December 31, 2024 tax years, for the six-month period ended June 30, 2025, and for the year ended June 30, 2026.

Subsequent Events
In preparing these consolidated financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 30, 2026, the date the consolidated financial statements were available to be issued. None were noted.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at June 30, 2026:

NOTE 3 - AVAILABILITY AND LIQUIDITY (CONTINUED)

Financial assets at year end:	
Cash	$347,289
Certificates of deposit	755,189
Accounts receivable	10,512
Grants receivable	70,000
Micro loans receivable, net	25,653
	1,208,643
Less amounts not available to be used for general expenditures within one year:	
Net assets with donor restrictions	(98,278)
Liability for Breadcoins not yet redeemed	(433,689)
	(531,967)
Financial assets available to meet general expenditures over the next twelve months	$676,676

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 4 - MICRO LOANS RECEIVABLE

Micro loans receivable from vendors are repayable in monthly installments with interest rates of 5.0% and 5.9% and maturity dates through January 2027. In practice, repayments are generally made through the application of amounts owed to vendors for redeemed Breadcoins against their outstanding loan balances.

Micro loans receivable at June 30, 2026 are expected to be paid as follows:

Year ending June 30,	
2027	$27,653
Allowance for credit losses	(2,000)
	$25,653

Micro loans receivable are unsecured.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions at June 30, 2026 are as follows:

Subject to restriction for specific purpose or Passage of time:	
Breadcoin Table	$23,539
Breadcoin Florida	$3,568

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS (CONTINUED)

Breadcoin Virginia	1,171
Time restricted	70,000
	$98,278

Net assets released from restrictions for the year ended June 30, 2026 are as follows:

Purpose or period restrictions accomplished:	
Breadcoin in Florida	$14,672
Breadcoin Table	11,451
Breadcoin Pennsylvania	1,303
Time restricted	65,000
	$92,426

NOTE 6 - RELATED PARTY TRANSACTIONS

Transactions with related parties for the year ended June 30, 2026 are as follows:

Contributions from Board members	$45,089
Sales of Breadcoin to Board members	$11,182

NOTE 7 - SIMPLE IRA PLAN

The Foundation established a SIMPLE IRA plan as of October 1, 2022 as a fringe benefit for its employees. Eligible employees, as defined in the plan document, are allowed to contribute to the plan subject to the IRS limits. The Foundation is required to make a matching contribution equal to the employee's contribution up to 3% of compensation.

Total expense for the SIMPLE IRA plan for the year ended June 30, 2026 is $8,699.

NOTE 8 - FUNCTIONAL EXPENSES

The costs of providing the various programs and activities for the year ended June 30, 2026 have been summarized on a functional basis below.

	Program	General and administrative	Fundraising	Total
Salaries and benefits	$ 248,346	$ 87,750	$ 60,114	$ 396,210
Vendor redemptions	530,950	-	1,580	532,530
Contract services	4,320	25,560	6,416	36,296
Meal program contributions	24,236	-	-	24,236
Miscellaneous expenses	12,642	7,915	145	20,702

NOTE 8 - FUNCTIONAL EXPENSES (CONTINUED)

	Program	General and administrative	Fundraising	Total
Marketing	19,230	10,392	73	29,695
Minting	26,400	-	-	26,400
Rent expense	16,186	5,395	-	21,581
Community network contractors	31,288	-	-	31,288
Technology	1,768	9,126	4,178	15,072
Transaction fees	190	1,374	13,306	14,870
Insurance	2,828	9,051	103	11,982
Depreciation and amortization	5,266	1,861	1,275	8,402
	$ 923,650	$ 158,424	$ 87,190	$ 1,169,264

NOTE 9 - COMMITMENTS AND RENT EXPENSE

In November 2022, the Foundation entered into a three-year lease for office space in Washington, D.C., commencing February 1, 2023, and originally expiring January 31, 2026. The lease included an option to renew for an additional three years at prevailing market rates, which was excluded from the lease term because the Foundation was not reasonably certain to exercise the option. Effective December 1, 2025, the Foundation terminated the lease without penalty.

In December 2025, the Foundation entered into a new agreement for office space in Washington, D.C., commencing January 1, 2026, and expiring January 31, 2028. The agreement provides for an initial rent-free month, followed by monthly payments of $1,900 for 12 months and $2,000 for the remaining 12 months. The agreement automatically renews unless written notice of termination is provided within the specified notice period. The renewal period was excluded from the lease term because the Foundation was not reasonably certain to renew the agreement.

The Foundation recognizes operating lease right-of-use assets and lease liabilities based on the present value of lease payments over the respective lease terms. The Foundation has elected to use a risk-free discount rate in determining the present value of its lease liabilities. The discount rates applied to the previous and current office leases were 4.80% and 3.47%, respectively.

Lease costs include operating lease expense and short-term occupancy costs, including temporary space rentals and parking arrangements.

The future minimum lease payments due under the lease at June 30, 2026 are as follows:

Year ending June 30,	
2027	$23,300
2028	14,000
Total minimum lease payments	37,300

NOTE 9 - COMMITMENTS AND RENT EXPENSE (CONTINUED)

Less present value discount	(964)
Present value of net minimum lease payments	$36,336

The following table presents the components of lease expense for the year ended June 30, 2026:

Fixed lease costs	$16,181
Short term lease cost	5,400
	$21,581

The remaining weighted-average lease terms and the weighted-average discount rates were as follows:

Weighted-average remaining lease term in years:	
Operating lease	1.58
Weighted-average discount rate:	
Operating lease	3.47%