UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2026**

☐ TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT

For the transition period from _______ to ________

Commission File number **001-37479**

USBC, INC.

(Exact name of registrant as specified in charter)

Nevada	**90-0273142**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
300 E 2nd Street, 15th Floor **Reno, Nevada**	**89501**
(Address of principal executive offices)	(Zip Code)

775-239-7673

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	USBC	NYSE American LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock, $0.001 par value, issued and outstanding as of August 5, 2026: 388,144,429 shares.

DOCUMENTS INCORPORATED BY REFERENCE: None.

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ITEM 1. FINANCIAL STATEMENTS

USBC, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

		June 30, 2026		December 31, 2025
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$	2,982,232	$	4,092,308
Restricted cash		660,000		—
Prepaid expenses		624,091		291,174
Note receivable, net		48,452		—
Derivative assets and digital assets receivable, net		248,105		2,410,043
Total current assets		4,562,880		6,793,525
OTHER ASSETS				
Digital assets		58,113,455		86,637,784
Deferred tax asset		3,664,237		—
Other non-current assets		146,599		239,621
TOTAL ASSETS	$	66,487,171	$	93,670,930
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable - trade (1)	$	3,069,064	$	1,988,049
Accrued expenses (1)		1,670,547		1,095,885
Loan payable		15,000,000		—
Current portion of operating lease right-of-use liability		90,083		84,712
Derivative liabilities		152,798		509,022
Total current liabilities		19,982,492		3,677,668
NON-CURRENT LIABILITIES:				
Operating lease liability, net of current portion		103,818		150,106
Deferred tax liability		—		8,311,381
Total liabilities		20,086,310		12,139,155
COMMITMENTS AND CONTINGENCIES (Note 14)				
STOCKHOLDERS' EQUITY				
Common stock - $0.001 par value, 750,000,000 shares authorized, 388,144,429 and 388,143,679 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively (2)		388,144		388,144
Additional paid in capital		282,901,721		271,689,292
Accumulated deficit		(236,889,004)		(190,545,661)
Total stockholders' equity		46,400,861		81,531,775
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	66,487,171	$	93,670,930

[1] Includes approximately $1.0 million payable for costs incurred pursuant to service agreements with affiliated entities as of June 30, 2026. See Note 13.
[2] Information pertaining to the number of shares outstanding gives retroactive effect to a 1 for 40 reverse stock split that became effective on February 19, 2025.

The accompanying notes are an integral part of these consolidated financial statements.

USBC, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended,		Six Months Ended,	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
OPERATING EXPENSES				
RESEARCH AND DEVELOPMENT EXPENSES	$ 57,352	$ 238,612	$ 275,548	$ 656,819
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (1)	16,372,883	1,015,733	27,821,947	2,805,048
Total operating expenses	16,430,235	1,254,345	28,097,495	3,461,867
OPERATING LOSS	(16,430,235)	(1,254,345)	(28,097,495)	(3,461,867)
OTHER INCOME (EXPENSE), NET				
Interest income	14,581	1,409	25,884	3,940
Interest expense	(219,583)	(275,665)	(233,750)	(1,649,710)
Change in fair value of digital assets	(9,705,974)	—	(29,710,439)	—
Other derivative income, net	671,391	—	2,228,110	—
Provision for credit losses	(354,446)	—	(2,531,270)	—
Total other expense, net	(9,594,031)	(274,256)	(30,221,465)	(1,645,770)
LOSS BEFORE INCOME TAXES	(26,024,266)	(1,528,601)	(58,318,960)	(5,107,637)
Income tax benefit	(5,235,692)	—	(11,975,617)	—
NET LOSS	(20,788,574)	(1,528,601)	(46,343,343)	(5,107,637)
Deemed dividends on Series C, D and H Preferred Stock	—	(2,158,161)	—	(2,181,823)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (20,788,574)	$ (3,686,762)	$ (46,343,343)	$ (7,289,460)
Basic and diluted loss per share	$ (0.05)	$ (0.55)	$ (0.12)	$ (1.52)
Weighted average shares of common stock outstanding-basic and diluted (2)	388,144,429	6,672,777	388,144,334	4,780,564

(1) Includes approximately $3.3 million and $6.3 million of costs incurred pursuant to service agreements with affiliated entities for the three and six months ended June 30, 2026, respectively.
(2) Information pertaining to the number of shares outstanding and per share data gives retroactive effect to a 1 for 40 reverse stock split that became effective on February 19, 2025.

The accompanying notes are an integral part of these consolidated financial statements.

USBC, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' (DEFICIT) EQUITY
(Unaudited)

	Series C Convertible Preferred Stock		Series D Convertible Preferred Stock		Series H Convertible Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' (Deficit)/Equity
	Shares	$	Shares	$	Share	$	Shares(1)	$			
Balance as of December 31, 2024	17,858	$ 1,790	10,161	$ 1,015	—	$ —	2,779,149	$ 111,089	$ 139,405,148	$ (143,433,942)	$ (3,914,900)
Stock compensation expense	—	—	—	—	—	—	—	—	593,681	—	593,681
Deemed dividends on Series C and D Preferred Stock	—	—	—	—	—	—	—	—	23,662	(23,662)	—
Issuance of common stock for At The Market common stock offering	—	—	—	—	—	—	379,451	1,628	509,077	—	510,705
Issuance of common stock for debt payment	—	—	—	—	—	—	383,118	384	505,617	—	506,001
Impact of reverse stock split due to rounding	—	—	—	—	—	—	(11)	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	—	(3,579,036)	(3,579,036)
Balance as of March 31, 2025	17,858	$ 1,790	10,161	$ 1,015	—	$ —	3,541,707	$ 113,101	$ 141,037,185	$ (147,036,640)	$ (5,883,549)
Issuance of common stock for services	—	—	—	—	—	—	400,000	400	175,600	—	176,000
Deemed dividends on Series C and D Preferred Stock	—	—	—	—	—	—	—	—	24,998	(24,998)	—
Issuance of common stock for At The Market common stock offering	—	—	—	—	—	—	1,329,276	1,330	772,588	—	773,918
Issuance of common stock for debt payment	—	—	—	—	—	—	2,226,965	2,227	850,369	—	852,596
Issuance of Series H Convertible Preferred Stock	—	—	—	—	16,916	1,184,066	—	—	702,335	—	1,886,401
Deemed dividend due to repricing of Series C, D and H Preferred Stock	—	—	—	—	—	—	—	—	1,064,199	(2,133,163)	(1,068,964)
Net loss	—	—	—	—	—	—	—	—	—	(1,528,601)	(1,528,601)
Balance as of June 30,											

2025	17,858	$ 1,790	10,161	$ 1,015	16,916	$1,184,066	7,497,948	$ 117,058	$144,627,274	$(150,723,402)	$ (4,792,199)
Balance as of December 31, 2025	—	—	—	—	—	—	388,143,679	388,144	271,689,292	(190,545,661)	81,531,775
Stock compensation expense	—	—	—	—	—	—	—	—	3,925,225	—	3,925,225
Issuance of common stock for stock option exercises	—	—	—	—	—	—	750	—	330	—	330
Net loss	—	—	—	—	—	—	—	—	—	(25,554,769)	(25,554,769)
Balance as of March 31, 2026	—	$ —	—	$ —	—	$ —	388,144,429	$ 388,144	$275,614,847	$(216,100,430)	$ 59,902,561
Stock compensation expense	—	—	—	—	—	—	—	—	7,286,874	—	7,286,874
Net loss	—	—	—	—	—	—	—	—	—	(20,788,574)	(20,788,574)
Balance as of June 30, 2026	—	$ —	—	$ —	—	$ —	388,144,429	$ 388,144	$282,901,721	$(236,889,004)	$ 46,400,861

[1] Information pertaining to the number of shares outstanding and per share data gives retroactive effect to a 1 for 40 reverse stock split that became effective on February 19, 2025.

The accompanying notes are an integral part of these consolidated financial statements.

USBC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended,	
	June 30, 2026	June 30, 2025
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net loss	$ (46,343,343)	$ (5,107,637)
Adjustments to reconcile net loss to net cash used in		
Operating activities		
Depreciation and amortization	6,184	14,325
Loss on disposal of fixed assets [(1)]	22,363	—
Stock based compensation - stock option grants	11,212,099	593,681
Provision for credit losses	2,531,270	—
Amortization of operating lease right-of-use asset	64,475	55,709
Issuance of common stock for services	—	176,000
Interest expense for default of convertible notes	—	748,600
Amortization of debt issuance costs	—	654,110
Change in fair value of digital assets	29,710,439	—
Other derivative income, net	(2,228,110)	—
Deferred income taxes	(11,975,617)	—
Interest income on note receivable	(3,452)	—
Changes in operating assets and liabilities:		
Prepaid expenses	(332,917)	—
Operating lease right-of-use liability	(40,917)	(47,441)
Derivative liabilities	(356,224)	—
Digital assets - receivable, net	(1,198,991)	—
Derivative assets	2,231,659	—
Accounts payable - trade and accrued expenses	1,475,676	197,204
Other long-term assets	—	125,000
NET CASH USED IN OPERATING ACTIVITIES	(15,225,406)	(2,590,449)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of USDC	(10,000,000)	—
Liquidation of USDC	10,000,000	—
Draws on note receivable	(225,000)	—
NET CASH USED IN INVESTING ACTIVITIES:	(225,000)	—
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from draws on loan payable	15,000,000	—
Proceeds from debt offering	—	200,000
Proceeds from Original Issuance Notes	—	246,000
Proceeds from issuance of common stock for stock option exercise	330	—
Proceeds from At The Market common stock offering	—	1,284,623
NET CASH PROVIDED BY FINANCING ACTIVITIES	15,000,330	1,730,623
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(450,076)	(859,826)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	4,092,308	1,032,329
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	$ 3,642,232	$ 172,503
Supplemental disclosures of cash flow information:		
Interest paid	$ 127,500	$ 2,000
Income taxes paid	$ —	$ —
Supplemental disclosure of non-cash investing and financing activities:		
Deemed dividends on Series C, D and H Preferred Stock	$ —	$ 2,181,823
Common stock issued for debt payment	$ —	$ 1,358,597
Premiums received in digital assets from treasury trading strategy	$ 1,875,425	$ —
Conversion of notes payable into Series H convertible preferred stock	$ —	$ 583,794

[(1)] Represents the net book value of fixed assets sold in connection with the March 27, 2026 divestiture transaction. See Note 13.

The accompanying notes are an integral part of these consolidated financial statements.

USBC, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The accompanying unaudited consolidated financial statements have been prepared by USBC, Inc. ("the Company," "us," "we," or "our") in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial reporting and rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. In the opinion of our management, all adjustments, consisting of only normal recurring accruals, necessary for a fair presentation of the financial position, results of operations, and cash flows for the fiscal periods presented have been included.

These unaudited financial statements should be read in conjunction with the audited financial statements and related notes included in our Transition Report filed on Form 10-K for the three months ended December 31, 2025, filed with the SEC on March 25, 2026. The results of operations for the six months ended June 30, 2026 are not necessarily indicative of the results expected for the full fiscal year ending December 31, 2026, or for any other fiscal period.

1. ORGANIZATION

USBC, Inc. (NYSE American: USBC) is a publicly traded technology company with a strategic focus on developing innovative financial-services network infrastructure to enable digital-asset banking capabilities and tokenized-deposit solutions for banks. USBC develops technology to deliver transformative financial services, including digital assets and banking solutions. USBC pursues long-term value creation for its stockholders through advancement of the tokenized deposit program offering, a tokenized representation of a U.S.-dollar denominated bank deposit account that operates on blockchain technology and is embedded with digital identity.

The Company was incorporated under the laws of the State of Nevada in 1998. The Company changed its legal name and ticker symbol from Know Labs, Inc. (KNW) to USBC, Inc. (USBC), in August 2025, in connection with the strategic transaction with Goldeneye 1995, LLC.

On March 27, 2026, the Company completed the divestiture of its legacy non-invasive sensor technology business with the transfer of the issued and outstanding equity interests of its wholly-owned subsidiary, Particle, Inc., to a newly-formed entity controlled by its former Chairman, President and CEO, Ronald P. Erickson. The Company also agreed to provide short-term financing in an aggregate principal sum of up to $450,000 to help ensure a smooth transition of the business to independent ownership until permanent equity financing is in place. The financial impact of the divestiture transaction was not material to the Company's financial statements. As of June 30, 2026, the Company had advanced $225,000 of the total amount committed under the credit facility.

USBC has also implemented a Bitcoin treasury strategy to bolster pre-launch development and research across its various divisions. The Company recorded derivative income, net of $671,391 and $2,228,110 for the three and six months ended June 30, 2026, respectively, for option premiums received on its treasury trading strategy. The Company began buying and selling call options on its Bitcoin holdings in the fourth fiscal quarter of 2025.

With a focus on identity, inclusion, innovation, and risk management, USBC is dedicated to creating long-term stockholder value in a rapidly evolving financial landscape. Its operating results for the six months ended June 30, 2026 primarily reflect ongoing investment in these initiatives and the integration of newly established banking and technology partnerships.

As of June 30, 2026, the Company has authorized 750,000,000 shares of common stock, par value $0.001 per share, and 5,000,000 shares of preferred stock, par value $0.001 per share.

2. LIQUIDITY AND GOING CONCERN

As of June 30, 2026, the Company had cash and cash equivalents of $3.0 million and an accumulated deficit of approximately $236.9 million. The Company has historically incurred recurring operating losses and negative operating cash flows and expects to continue to incur operating losses for the foreseeable future as it continues to invest in the development and scaling of its financial-technology platform and digital-asset initiatives.

The Company incurred a net loss of approximately $46.3 million and $5.1 million, for the six months ended June 30, 2026, and 2025, respectively. The $46.3 million net loss for the six months ended June 30, 2026, was comprised of several core non-cash items including a $29.7 million non-cash unrealized loss on the change in fair value of digital assets, $11.2 million of non-cash stock-based compensation expense, and a $2.5 million non-cash provision for credit losses, partially offset by a $12.0 million non-cash deferred income tax benefit.

In accordance with Accounting Standards Codification (“ASC”) 205-40, management evaluated the Company’s ability to continue as a going concern for a period of one year from the date the financial statements are issued. This assessment considered the Company’s cash on hand, the Company’s unencumbered digital asset treasury holdings, which are available to be monetized or pledged as collateral to generate liquidity, and access to external financing arrangements, including a Bitcoin-collateralized credit facility. Based on this evaluation, management concluded that there is no substantial doubt about the Company’s ability to continue as a going concern for the twelve months following the issuance of these consolidated financial statements.

The Company continues to evaluate financing opportunities to support its operating plan and long-term growth objectives.

3. SIGNIFICANT ACCOUNTING POLICIES: ADOPTION OF ACCOUNTING STANDARDS

Basis of Presentation – These consolidated financial statements were prepared in conformity with U.S. generally accepted accounting principles (“GAAP”).

Certain prior-period amounts have been reclassified to conform to the current-period presentation. As of December 31, 2025, operating lease right-of-use assets of $186,900, previously presented separately, have been reclassified to other non-current assets. This reclassification had no effect on total assets, total liabilities, stockholders’ equity, results of operations or cash flows.

Effective beginning in fiscal year 2026, the Company changed its fiscal year-end from September 30 to December 31 to better align the Company's financial reporting calendar with its operating cycle, internal budgeting and financial planning process, and to improve comparability with industry peers that report their financial results on a calendar-year basis. The Company filed a Transition Report on Form 10-K that included the financial information for the transition period from October 1, 2025 to December 31, 2025 (the "Transition Period"). The Company did not recast the consolidated financial statements for the period from January 1, 2025 to December 31, 2025.

Use of Estimates – Management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements including, but not limited to, those estimates related to digital assets, digital assets receivable, derivatives, leases, debt, stock-based compensation, and income taxes. Management believes that estimates utilized in preparing the financial statements are reasonable. Estimates, by their nature, are based on judgment and available information. As such, actual results could differ materially from these estimates included in these financial statements.

Cash and Cash Equivalents – The Company classifies highly liquid temporary investments with an original maturity of three months or less when purchased as cash equivalents.

Restricted Cash – Restricted cash consists of cash balances held in escrow on behalf of an affiliate that are legally or contractually restricted as to withdrawal or use. The Company's restricted cash is presented separately from cash and cash equivalents on the consolidated balance sheets. For purposes of the consolidated statements of cash flows, cash, cash equivalents, and restricted cash are included in total cash, cash equivalents, and restricted cash.

The following table presents a reconciliation of cash, cash equivalents and restricted cash reported in the Consolidated Balance Sheets to the total of the corresponding amounts presented in the Consolidated Statements of Cash Flows:

	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 2,982,232	$ 4,092,308
Restricted cash	660,000	—
Total cash, cash equivalents and restricted cash	$ 3,642,232	$ 4,092,308

Digital Assets – The Company began holding digital assets in the ordinary course of business as a treasury reserve asset upon receiving 1,000 Bitcoin as part of the closing of the Goldeneye capital investment on August 6, 2025. The Company holds Bitcoin principally as a long-term strategic treasury reserve and as a potential source of balance sheet flexibility and liquidity. From time to time, the Company may monetize a portion of its Bitcoin holdings, including through sales or collateralized financing arrangements, to fund operations, working capital needs, strategic initiatives or other corporate purposes.

As of June 30, 2026, the Company primarily held Bitcoin in its corporate treasury, with lesser amounts of USD Coin ("USDC"), a cryptocurrency backed by US dollars and equivalent assets. The Company views its Bitcoin as a productive asset, a source of liquidity, yield, and long-term capital appreciation. By activating substantially all of its Bitcoin holdings through structured trading arrangements, the Company seeks to generate incremental income that helps fund operations, expand infrastructure, and reduce the Company’s cost of capital. See description of the Company’s accounting policy for its digital asset derivatives below.

The Company generates yield through its derivative activities on its Bitcoin holdings and actively pursues risk-adjusted return opportunities that support its operating expenses. The Company reports its Bitcoin digital assets as part of the line item, non-current assets on the Consolidated Balance Sheets due to the Company’s intent to retain and hold Bitcoin under its Bitcoin investment approach. The Company engages in trading these assets via Bitcoin derivatives. Trades are executed over the counter via third party trading platforms.

The 1,000 Bitcoin received on August 6, 2025 as part of the Goldeneye capital investment was recorded at an average price of $115,567 per Bitcoin. During the three and six months ended June 30, 2026, the Company obtained 5.175, and 15.616 Bitcoin, respectively, through its trading strategy, which has been recognized as other derivative income, net, in the Consolidated Statements of Operations. The Company commenced buying and selling call options on its Bitcoin holdings in the fourth fiscal quarter of 2025 and as such, it did not obtain any Bitcoin from its trading strategy during the three and six months ended June 30, 2025. While the Company may periodically make open market purchases of Bitcoin or opt to sell a portion of the Bitcoin it obtains through its treasury trading strategy from time to time, the Company did not purchase or sell any Bitcoin during the three and six months ended June 30, 2026.

A summary of activity in Bitcoin and digital assets - receivable, net for the six months ended June 30, 2026 was as follows:

	Digital assets	Digital assets - receivable, net
Bitcoin and digital assets - receivable, net at fair value as of December 31, 2025	$ 86,637,784	$ 2,348,695
Bitcoin generated through trading	1,124,225	—
Fees	(224,835)	—
Provision for credit losses	—	(1,816,824)
Unrealized gain/(loss)	(20,367,447)	362,982
Bitcoin and digital assets - receivable, net at fair value as of March 31, 2026	$ 67,169,727	$ 894,853
Bitcoin generated through trading	751,200	—
Fees	(456,597)	—
Provision for credit losses	—	(354,446)
Unrealized gain/(loss)	(9,328,996)	(376,978)
Outstanding premium settlement receivable	(26,877)	26,877
Bitcoin and digital assets - receivable, net at fair value as of June 30, 2026	$ 58,108,457	$ 190,306

The table above excludes $4,998 of USDC included in digital assets on the Consolidated Balance Sheet as of June 30, 2026. The Company did not hold any USDC as of December 31, 2025. The Company converted $10.0 million of USDC to USD on a one-to-one basis during the six months ended June 30, 2026.

The Company stores its digital assets with third-party qualified custodians that employ multi-signature, cold-storage and other industry standard security controls. Access to wallets and private keys is restricted to authorized personnel. The Company evaluates its custodial arrangements periodically and monitors counterparty, operational and cybersecurity risks associated with digital asset custody.

From time to time, blockchain protocols may initiate hard forks or third parties may distribute airdrops that result in the creation or receipt of new digital assets. The Company recognizes such assets only when it obtains control which generally occurs when (i) the asset is accessible within the Company's custodial wallet environment, (ii) the Company can transfer, sell, or exchange the asset, and (iii) no legal or operational restrictions prevent disposition. When control is obtained, the new asset is recorded at its fair value on the date of recognition in accordance with ASC 820. The corresponding gain is recognized in other income (expense), net, in the Consolidated Statements of Operations. If the Company is unable to access or control the new asset (e.g., due to custodian limitations or unsupported network upgrades), no asset is recognized until such time as control is achieved. The Company does not actively pursue, solicit, or take technical actions to claim hard forks or airdrops and it does not engage in strategies designed to influence protocol events.

The Company accounts for its digital assets, which are comprised primarily of Bitcoin, at fair value as of the end of each reporting period. The fair value for its Bitcoin holdings is determined by which eligible market is the Company's principal market under ASC 820, Fair Value Measurement. The Company determines its principal market annually to determine if (i) there have been recent changes to each market volume and level of activity in the trailing twelve months, (ii) if any markets have developed that the Company has access to, or (iii) if recent changes to each market's price stability have occurred that would materially impact the selection of the principal market and necessitate a change in the Company's determination of its principal market. Bitcoin is considered a level 1 instrument.

The Company does not use derivatives, futures, options, or other hedging instruments to mitigate its exposure to Bitcoin price volatility. Accordingly, the carrying value of Bitcoin may experience significant fluctuations. Changes in the fair value of digital assets from period to period are recognized within change in the fair value of digital assets in the Consolidated Statements of Operations. The Company uses the specific identification method for its digital asset portfolio.

Digital Assets - Receivable, net – The Company pledges Bitcoin as collateral for its derivative trading activities. The digital assets receivables are initially measured upon transfer at fair value and subsequently remeasured at fair value each reporting period. The changes in fair value are recognized on the Consolidated Statements of Operations, in accordance with ASU 2023-08.

The Company is exposed to counterparty credit risk arising from its digital assets receivable balance. Counterparty credit exposure represents the risk that a counterparty may fail to fulfill its contractual obligations. The Company evaluates the digital assets receivable balance for expected credit losses, in accordance with ASC 326 - Financial Instruments - Credit Losses ("ASC 326"). The Company estimates the allowance for credit losses on digital assets receivables under the current expected credit loss ("CECL") model using a probability of default ("PD") and loss given default ("LGD") methodology. In order to apply the PD LGD approach, management considers the remaining expected time horizon of the receivables and reasonable and supportable forecasts of future conditions. If deemed material, an allowance for credit losses is recorded as a valuation account, directly offsetting the digital assets receivables on the Consolidated Balance Sheets. The Company had gross digital asset receivables of $2.3 million as of June 30, 2026, and December 31, 2025. As of June 30, 2026, the Company recorded an allowance for credit losses of $2.2 million, based on management's estimate of expected credit losses associated with its derivative counterparty credit risk exposure, within Provision for credit losses in the Consolidated Statements of Operations. As of June 30, 2026, the net digital asset receivable was $190,306, consisting of a net collateral receivable of $163,429 and an outstanding premium settlement receivable of $26,877. The Company actively monitors counterparty credit quality and adjusts the allowance for credit losses as necessary. Balances are written off when management determines that collection is no longer probable. Subsequent recoveries are charged to the allowance. No allowance for credit losses related to digital assets receivable was recorded as of December 31, 2025.

The following table summarizes the activity in the allowance for credit losses on digital assets receivable for the six months ended June 30, 2026:

	Allowance for Credit Losses
Allowance for credit losses as of December 31, 2025	$ —
Provision for credit losses	(1,816,824)
Net charge-offs/(recoveries)	—
Allowance for credit losses as of March 31, 2026	$ (1,816,824)
Provision for credit losses	(354,446)
Net charge-offs/(recoveries)	—
Allowance for credit losses as of June 30, 2026	$ (2,171,270)

Note receivable, net – The Company accounts for its note receivable, net at amortized cost, which represents the outstanding principal balance, net of unearned income, and expected credit losses. The Company records accrued interest within Interest income on the Consolidated Statements of Operations, and outstanding amounts in Note receivable, net on the Consolidated Balance Sheets (see Notes 6 and 14 for more information).

Property and Equipment – Equipment consists of machinery, and furniture and fixtures, which are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives or lease period of the relevant asset, generally three years. During the six months ended June 30, 2026, the Company sold all of its property and equipment and recorded a loss on disposal of fixed assets in the Consolidated Statement of Operations as part of selling, general and administrative expenses. Accordingly, there were no remaining property and equipment balances reported on the Consolidated Balance Sheet as of June 30, 2026.

Revenue Recognition– The Company accounts for revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. The Company is currently developing its tokenized deposit platform and has not commenced revenue-generating operations. Accordingly, no revenue from contracts with customers has been recognized during the periods presented. Upon commencement of commercial operations, the Company will recognize revenue in accordance with ASC 606 based on the specific performance obligations and contractual arrangements with its customers.

Upon full commercial launch of the tokenized deposit program offering, revenue recognition from contracts with customers will be determined through the following steps:

- identification of the contract, or contracts, with the customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of the revenue when, or as, the Company satisfies a performance obligation.

Revenue will be recognized when control of the promised goods or services is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

Revenue generated from financial instruments such as derivatives and investments are not subject to ASC 606. The Company recognizes realized gains and losses, net from the trading of derivative contracts which are reported in other derivative income, net, in the Consolidated Statements of Operations. The Company carries certain assets and liabilities at fair value with changes in fair value reported in Change in fair value of digital assets and other derivative income, net, in the Consolidated Statements of Operations. Refer to Notes 4 and 5 of these financial statements for more information regarding fair value measurement.

Research and Development Expenses – Research and development expenses consist of the cost of officers, employees, consultants and contractors who design, engineer and develop new products and processes as well as materials, supplies and facilities used in producing prototypes.

Legacy radio frequency spectroscopy research activities were discontinued with the divestiture of the legacy non-invasive sensor technology business which was completed on March 27, 2026. The Company incurred research and development expenses of approximately $57,000, and $239,000 during the three months ended June 30, 2026, and 2025, respectively. The Company incurred research and development expenses of approximately $276,000, and $657,000 during the six months ended June 30, 2026, and 2025, respectively.

The Company evaluated the divestiture of the legacy non-invasive sensor technology business under ASC 205-20, *Presentation of Financial Statements—Discontinued Operations*. Although the divested operations constituted a component of the Company, management concluded the disposal did not represent a strategic shift that has (or will have) a major effect on the Company's operations and financial results. This conclusion was based on, among other factors, (i) the Company's strategic pivot to financial-technology and digital-asset initiatives that was implemented prior to the divestiture, (ii) the substantially completed wind-down of the legacy sensor research activities prior to the divestiture, (iii) the absence of meaningful revenue generated from the legacy sensor activities during the periods presented, and (iv) the immateriality of assets and liabilities associated with the divested operations. Accordingly, the results of the legacy sensor activities have not been reported as discontinued operations, and the Company has not reclassified prior-period financial statements. Costs associated with the legacy sensor activities during the three and six months ended June 30, 2026 and 2025 consisted primarily of research and development costs and were included in research and development expenses in the accompanying Consolidated Statements of Operations. The assets and liabilities related to the legacy sensor business were immaterial.

Fair Value Measurements and Financial Instruments – ASC 820, *Fair Value Measurement and Disclosures*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This topic also establishes a fair value hierarchy, which requires classification based on observable and unobservable inputs when measuring fair value. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1 – Quoted prices in active markets for identical assets and liabilities;

Level 2 – Inputs other than level one inputs that are either directly or indirectly observable; and

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The carrying amounts of other financial assets and liabilities, which consist primarily of cash and cash equivalents, accounts payable, and accrued expenses approximate the fair value of the respective assets and liabilities as of June 30, 2026 and December 31, 2025 are based upon the short-term nature of the assets and liabilities. Digital assets and derivatives assets and liabilities are held at fair value in the Consolidated Balance Sheets and measured on a recurring basis.

Derivative Financial Instruments **–** Pursuant to ASC 815, *Derivatives and Hedging*, the Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. The Company then determines if an embedded derivative must be bifurcated and separately accounted for. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the Consolidated Statements of Operations. For stock-based derivative financial instruments, the Company uses a Black-Scholes-Merton option pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the Consolidated Balance Sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within twelve months of the balance sheet date.

Digital Asset Derivatives – As part of its Bitcoin yield generation strategy trading activities, the Company has entered into option derivative contracts on its Bitcoin holdings that resulted in obtaining the right to receive or obligation to deliver a fixed amount of Bitcoin in the future. Derivatives are instruments that derive their value from changes in an underlying reference outside the control of the Company. Derivatives may be traded on an exchange (exchange-traded) or they may be privately negotiated contracts, which are usually referred to as over the counter ("OTC") derivatives. The Company has appointed Hyrcanian Asset Management, LLC (the "Manager") to perform certain treasury management services, including execution and settlement of the options in physical delivery. The Company has accounted for these derivatives in accordance with ASC 815, *Derivatives and Hedging.*

These derivative contracts derive their value from underlying asset prices, other inputs, or a combination of these factors. Derivative contracts are recognized as either assets or liabilities in the Consolidated Balance Sheets at fair value, with changes in fair value recognized in other income (expense), net in the Consolidated Statements of Operations, depending on the nature of the derivative. Premiums collected in bitcoin from derivative contracts have been disclosed in the statement of cash flows as part of non-cash operating activities with valuation adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities in the Consolidated Statements of Cash Flows, depending on the nature of the derivative.

Stock Based Compensation – The Company maintains a share-based compensation plan under which employees, consultants, suppliers and directors may be granted restricted stock, as well as options and warrants to purchase shares of Company common stock at the fair market value per share at the time of grant. Stock-based compensation is measured by the Company at the grant date, based on the fair value of the award, over the requisite service period under ASC 718. The Company recognizes stock compensation costs utilizing the fair value methodology over the related period of benefit. For an award that has a graded vesting schedule, compensation expense is recognized on a straight-line basis of the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards. The amount of compensation cost recognized at any date must at least equal the portion of the grant-date value of the award that is vested at that date.

Convertible Securities – Based upon ASC 815-15, the Company previously adopted a sequencing approach regarding the application of ASC 815-40 to convertible securities. The Company evaluated its historical contracts based upon the earliest issuance date. In the event partial reclassification of contracts subject to ASC 815-40-25 was necessary, due to the Company's inability to demonstrate it has sufficient shares authorized and unissued, shares were allocated on the basis of issuance date, with the earliest issuance date receiving first allocation of shares. If a reclassification of an instrument were required, it would have resulted in the instrument issued latest being reclassified first. No convertible securities were outstanding as of June 30, 2026 or December 31, 2025. All convertible securities were redeemed in August 2025 as part of the Goldeneye capital investment.

Net Loss per Share – Under the provisions of ASC 260, *Earnings Per Share*, basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of shares of common stock outstanding for the periods presented. Diluted net loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Deemed dividends to preferred stockholders increased the net loss available to common stockholders and impact the net loss per share calculation reported for historical periods prior to the redemption of all convertible securities in August 2025.

As of June 30, 2026 and December 31, 2025, the Company had 388,144,429 and 388,143,679 shares of common stock issued and outstanding, respectively. As of June 30, 2026, there were options outstanding for the purchase of 98,970,000 shares of common stock and warrants for the purchase of 964,912 shares of the Company's common stock. As of December 31, 2025, there were options outstanding for the purchase of 96,150,750 shares of common stock and warrants for the purchase of 1,154,106 shares of the Company's common stock. All of the foregoing shares could potentially dilute future earnings per share but are excluded from both the June 30, 2026, and December 31, 2025 calculation of net loss per share because their impact is antidilutive.

Comprehensive loss – Comprehensive loss is defined as the change in equity of a business during a period from non-owner sources. The Consolidated Statements of Comprehensive Loss have been omitted, as net loss equals comprehensive loss.

Dividend Policy – The Company has never paid any cash dividends and intends, for the foreseeable future, to retain any future earnings for the development of its business. The Company's future dividend policy will be determined by the board of directors on the basis of various factors, including results of operations, financial condition, capital requirements and investment opportunities.

Income Taxes – The Company uses an asset and liability approach for accounting for deferred income taxes, which requires recognition of deferred income tax assets and liabilities for the expected future tax consequences of events that have been recognized in its financial statements but have not been reflected in its taxable income. Estimates and judgments are required in the calculation of certain tax liabilities and in the determination of the recoverability of certain deferred income tax assets, which arise from temporary differences and carryforwards. Deferred income tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets and liabilities are expected to be realized or settled.
The Company regularly assesses the likelihood that its deferred income tax assets will be realized from recoverable income taxes or recovered from future taxable income. To the extent that the Company believes any amounts are not "more likely than not" to be realized, the Company records a valuation allowance to reduce the deferred income tax assets. In the event the Company determines that all or part of the net deferred tax assets are not realizable in the future, an adjustment to the valuation allowance would be charged to earnings in the period such determination is made. Similarly, if the Company subsequently determines that deferred income tax assets, previously determined to be unrealizable, are now realizable, the respective valuation allowance would be reversed, resulting in an adjustment to earnings in the period such determination is made.

ASC 740, *Income Taxes,* requires that the tax benefit of NOLs, temporary differences, and credit carryforwards be recorded as an asset to the extent that management assesses that realization is "more likely than not." Realization of the future tax benefits is dependent on the Company's ability to generate sufficient taxable income within the carryforward period. Because the Company had previously concluded, based on all available evidence, it was not "more-likely-than-not" that sufficient tax earnings will be generated to utilize the NOL carryforwards, a corresponding valuation allowance equal to 100% of the Company's total federal and state deferred tax assets was established as of September 30, 2025. Subsequent to September 30, 2025, the Company believes that the unrealized gain on its digital asset holdings may present future taxable income, and reversed the approximately $5.7 million valuation allowance as of December 31, 2025.

The Company regularly reviews its tax positions. For a tax benefit to be recognized, the related tax position must be "more likely than not" to be sustained upon examination. Any amount recognized is generally the largest benefit that is "more likely than not" to be realized upon settlement. The Company's policy is to recognize interest and penalties related to income tax matters as an income tax expense. The Company did not have any interest or penalties associated with unrecognized tax benefits for any periods presented in the accompanying financial statements.

On July 4, 2025, new U.S. tax legislation was signed into law (known as the "One Big Beautiful Bill Act" or "OBBBA"), which made permanent many of the tax provisions enacted in 2017 as part of the Tax Cuts and Jobs Act that were set to expire at the end of 2025. In addition, the OBBBA made changes to certain U.S. corporate tax provisions, with certain provisions effective in 2025 and others to be implemented in 2026 and subsequent years. The Company is currently assessing the potential implications of the legislation on its operations and on the Company's consolidated financial statements and will continue to monitor future administrative guidance and regulations that clarify the legislative text of the OBBBA and the bill's potential effect on the Company's income taxes.

Recent Accounting Pronouncements

No newly issued accounting pronouncements were adopted during the second quarter of 2026.

4. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy: The fair value hierarchy is used to prioritize the fair value methodologies and valuation techniques as well as the inputs to the valuation techniques used to measure fair value for assets and liabilities carried at fair value on the Consolidated Balance Sheets. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). An entity must disclose the level within the fair value hierarchy in which the measurements are classified for all assets and liabilities measured on a recurring or nonrecurring basis.

The Company’s assets and liabilities measured at fair value on a recurring basis consist of digital assets, a money market account, and derivative assets and liabilities.

In determining the fair value of its digital assets, the Company is able to cite quoted prices as determined by the Company’s principal market. As such, the Company’s digital assets and digital asset - receivables, net which consist of Bitcoin, and USDC, were determined to be Level 1 assets.

In estimating the fair value of its derivative assets and derivative liabilities, the Company uses a market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities found on derivative exchanges. The Company determined that the derivative assets and liabilities are Level 2. Determining which category an asset or liability falls within the hierarchy requires significant judgment.

The following tables present the Company's assets and liabilities measured at fair value on a recurring basis, by level within the fair value hierarchy:

	Assets Measured at Fair Value at June 30, 2026				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Digital assets	$ 58,113,455	$ —	$ —	$ —	$ 58,113,455
Money market account	2,008,493	—	—	—	2,008,493
Derivative assets and digital assets receivable, net	190,306	57,799	—	—	248,105
Total	$ 60,312,254	$ 57,799	$ —	$ —	$ 60,370,053

	Assets Measured at Fair Value as of December 31, 2025				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Digital assets	$ 86,637,784	$ —	$ —	$ —	$ 86,637,784
Money market account	3,337,342	—	—	—	3,337,342
Derivative assets and digital assets receivable, net	2,348,695	61,348	—	—	2,410,043
Total	$ 92,323,821	$ 61,348	$ —	$ —	$ 92,385,169

	Liabilities Measured at Fair Value as of June 30, 2026				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Derivative liabilities	$ —	$ 152,798	$ —	$ —	$ 152,798
Total	$ —	$ 152,798	$ —	$ —	$ 152,798

	Liabilities Measured at Fair Value as of December 31, 2025				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Derivative liabilities	$ —	$ 509,022	$ —	$ —	$ 509,022
Total	$ —	$ 509,022	$ —	$ —	$ 509,022

There were no transfers in or out of Level 3 or between levels during the three and six months ended June 30, 2026, or 2025.

5. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In the normal course of business, the Company enters into transactions involving derivative instruments for trading purposes. Risks arise from changes in the market values of the underlying digital assets as well as the possible inability of counterparties to meet the terms of their contracts. The credit risk associated with these contracts is typically limited to the cost of replacing all contracts on which the Company has recorded an unrealized gain.

The Company enters into OTC derivatives, which are negotiated and settled bi-laterally with the derivative counterparty. These trades have maturities of 12 months or less and are not designated as hedging instruments under the authoritative accounting guidance.

The underlying transactions and the corresponding contracts are marked to market at the end of each reporting period and the fair value impacts are reflected within Other derivative income, net in the Consolidated Statements of Operations. The Company had outstanding digital asset option contracts as of June 30, 2026 and December 31, 2025 with gross notional values of approximately $67.5 million and $114.8 million, respectively. As of June 30, 2026, 92% of these contracts will mature within three months, and 8% of these contracts will mature between three and six months. As of December 31, 2025, 100% of these contracts matured within three months.

As of June 30, 2026, the Company had outstanding digital asset option contracts recognized as current assets within derivative assets with a fair value of $57,799, and outstanding option contracts recognized as current liabilities within derivative liabilities with a fair value of $152,798. As of December 31, 2025, the Company had outstanding digital asset option contracts recognized as current assets within derivative assets with a fair value of $61,348, and outstanding option contracts recognized as current liabilities within derivative liabilities with a fair value of $509,022.

The Company had unrealized loss, net related to outstanding option contracts of approximately $230,644 as of June 30, 2026. The Company did not have an unrealized gain/(loss), net, balance related to outstanding option contracts as of June 30, 2025. During the three and six months ended June 30, 2026, the Company recognized a realized gain, net related to derivative contracts of approximately $902,036, and $2,205,935, respectively, within Other derivative income, net in the Consolidated Statements of Operations. The Company did not record a realized gain/(loss), net related to derivative contracts during the three and six months ended June 30, 2025.

6. NOTE RECEIVABLE, NET

On March 27, 2026, the Company entered into a short-term promissory note with Particle Acquisition Corporation, in connection with the Stock Purchase Agreement (see Note 14 for more information). The note provides for borrowing up to $450,000, bears interest at 10% per annum, and matures on September 23, 2026, with an option to extend the maturity date up to 180 days in accordance with the terms. As of June 30, 2026 the Company funded $225,000 under the note, and had recorded an allowance for credit losses of $180,000 related to the funded note receivable. The Company recognized interest income of $3,452 within Interest income on the Consolidated Statements of Operations during the three and six months ended June 30, 2026.

7. LOAN PAYABLE

On March 18, 2026, the Company entered into a Master Loan Agreement (the “MLA”) with Payward Interactive, Inc. (the “Lender”), pursuant to which the Company may, from time to time, borrow fiat currency or digital assets on the terms set forth therein in an aggregate principal amount of up to $25 million for up to a twelve-month term, subject to the execution of one or more individual loan term sheets (the "Facility"). The MLA contains customary conditions, initial collateral requirements, collateral maintenance and liquidation mechanics, and early return and recall rights. Borrowings under the MLA are solely secured by Bitcoin collateral held in and subject to collateral maintenance requirements based on specified margin ratios. The Bitcoin collateralizing the Facility is held for the benefit of the Lender by an affiliate of the Lender, Payward Financial, Inc. (the "Custodian") and subject to an account control agreement by and among the Lender, the Company and the Custodian.

On March 20, 2026, the Company entered into a term sheet for a one year fixed-term loan of $5.0 million bearing interest at a rate of 8.5% per annum under the MLA maturing on March 18, 2027. The obligations under the MLA are prepayable at the Company’s option after an initial term of three months. The MLA provides the Company with an additional source of liquidity to support its operations and strategic initiatives, primarily the further development and future launch of the tokenized deposit program offering. Proceeds from the Facility will be used primarily to fund further development costs of the tokenized deposit program offering, including costs paid to our affiliate, Vast Holdings, Inc. (“Vast”).

On April 27, 2026, the Company drew an additional fixed-rate borrowing of $5.0 million (the "Second Draw") under the MLA. The Second Draw increases the aggregate principal amount outstanding under the MLA to $10.0 million and bears interest at a rate of 8.5% per annum maturing on April 27, 2027, unless earlier terminated in accordance with the terms of the MLA.

On June 1, 2026, the Company drew an additional fixed-rate borrowing of $5.0 million (the "Third Draw") under the MLA. The Third Draw increases the aggregate principal amount outstanding under the MLA to $15.0 million and bears interest at a rate of 8.5% per annum maturing on June 1, 2027, unless earlier terminated in accordance with the terms of the MLA. The carrying value of this financial instrument approximates fair value due to the short-term maturity of this instrument.

The Facility is collateralized by Bitcoin which is pledged to the counterparty in an amount of $22.8 million held within Digital Assets on the Consolidated Balance Sheet as of June 30, 2026. Under the terms of the agreements, the secured party is permitted to exercise control and liquidate such pledged assets under certain conditions, including default or margin deficiencies. The Company was in compliance with all covenants associated with the MLA as of June 30, 2026. The Company recognized $219,583, and $233,750, in interest expense during the three and six months ended June 30, 2026, respectively, in connection with the MLA as Accrued expenses on the Consolidated Balance Sheet as of June 30, 2026.

Under the terms of the MLA, the required initial margin ratio was 150%. If the margin ratio declines to 130% or lower, the lender may issue a margin call requiring the Company to either post additional Bitcoin collateral or partially repay outstanding borrowings within 24 hours in order to restore compliance with the required margin ratio. Under the MLA, if the margin ratio declines to 120% or lower and the Company does not timely cure the deficiency in accordance with the terms of the MLA, the lender may exercise its contractual rights with respect to the collateral, including liquidation rights. In addition, under the MLA, the Company may request the release of excess collateral if the margin ratio exceeds 170% for two consecutive days, subject to the terms and conditions of the MLA. The fair value of pledged Bitcoin collateral is determined based on the applicable Bitcoin market spot rate in accordance with the collateral valuation and maintenance provisions of the MLA.

8. PROPERTY AND EQUIPMENT

Property and equipment consisted primarily of machinery, computer equipment, and office furniture and was depreciated using the straight-line method over estimated useful lives of approximately three years. During the six months ended June 30, 2026, the Company disposed all of its property and equipment, and recognized a loss on disposal of fixed assets of $22,363 in the Consolidated Statements of Operations. As of June 30, 2026, the Company had no remaining property and equipment.

9. LEASES

The Company previously evaluated its existing lease agreements to determine whether an arrangement is or contains a lease in accordance with ASC 842, *Leases.* Right-of-use (“ROU”) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The incremental borrowing taking into consideration the Company’s credit quality and borrowing rate for similar assets is used in determining the present value of future payments. Because the rate implicit in each lease is not readily determinable, the Company uses its estimated incremental borrowing rate to determine the present value of the lease payments.

Lease expense is recorded within general and administrative expenses on the Company’s Consolidated Statements of Operations. The Company elected the package of transitional practical expedients, under which the Company (i) did not reassess whether any expired or existing contracts are or contain leases, (ii) the Company did not reassess the lease classification for any expired or existing leases and (iii) the Company did not reassess initial direct costs for any existing leases. Additionally, the Company elected the short-term lease recognition exemption, and does not recognize right-of-use assets or lease liabilities for leases with an initial term of twelve months or less. The Company also elected the practical expedient to not separate lease and non-lease components for all asset classes. In the event the Company is reasonably certain to exercise the option to extend a lease, the Company will include the extended terms.

The Company’s operating leases primarily relate to vacant office and development facilities and generally have initial terms ranging from two to three years, with renewal options. ROU assets and Operating lease liabilities are recognized based on the present value of lease payments over the expected lease term. As of June 30, 2026 and December 31, 2025, ROU assets were $122,425 and $186,900, respectively, and operating lease liabilities were $193,901 and $234,818, respectively. During the three months ended June 30, 2026 and 2025, the Company recognized total lease expense of $11,529 and $33,037, respectively. During the six months ended June 30, 2026 and 2025, the Company recognized total lease expense of $48,411 and $66,074, respectively. During the six months ended June 30, 2026 and 2025, cash paid for amounts included in the measurement of lease liabilities was $24,853 and $57,806, respectively.

The weighted average remaining lease term for the operating leases was 13 months, and 19 months at June 30, 2026 and December 31, 2025, respectively. The weighted average discount rate for the Company's operating lease was 8.86% as of June 30, 2026, and December 31, 2025.

The minimum future lease payments as of June 30, 2026 are as follows:

		Operating leases
2026 (excluding the six months ended June 30, 2026)	$	51,206
2027		156,235
Total remaining payments		207,441
Less imputed interest		(13,540)
Total lease liability	$	193,901

10. EQUITY

Authorized Capital Stock

The following description summarizes important terms of the classes of the Company's authorized capital stock as of June 30, 2026. This summary does not purport to be complete and is qualified in its entirety by the provisions of the Company's articles of incorporation, as amended, and second amended and restated bylaws, as amended.

The Company’s authorized capital stock consists of 750,000,000 shares of common stock, par value $0.001 per share, and 5,000,000 shares of blank check preferred stock, par value $0.001 per share.

Outstanding Shares of Capital Stock. The Company’s common stock is the only security of the Company registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended. All outstanding shares of the Company’s capital stock are fully paid and nonassessable. As of June 30, 2026, there were 388,144,429 shares of common stock issued and outstanding, held by 171 stockholders of record. This number does not include approximately 7,300 beneficial owners whose shares are held in the names of various security brokers, dealers and registered clearing agencies.

Common Stock Activity

Each share of common stock entitles its holder to one vote on each matter submitted to the stockholders for a vote, and no cumulative voting for directors is permitted. Stockholders do not have any preemptive rights to acquire additional securities issued by the Company.

Six months ended June 30, 2026

During the six months ended June 30, 2026, the Company issued 750 shares of common stock as a result of stock option exercises.

Six months ended June 30, 2025

On December 31, 2024, the Company entered into a Capital on Demand Sales Agreement (the “Sales Agreement”) with JonesTrading Institutional Services LLC, as sales agent, pursuant to which the Company may, from time to time, offer and sell shares of its common stock, through or to JonesTrading as its sales agent or manager. The Company issued 1,708,727 shares under the Sales Agreement and received gross proceeds of $1,284,623 during the six months ended June 30, 2025.

The offer and sale of these shares was made pursuant to the Company’s effective shelf registration statement on Form S-3 (File No. 333-276246) filed with the SEC on December 22, 2023 and declared effective by the SEC on January 11, 2024, as supplemented to date (the "Shelf Registration Statement"). Pursuant to the Shelf Registration Statement, the Company may offer and sell up to a maximum of $5,000,000 of shares of its common stock under the Sales Agreement. On September 4, 2025, the Company determined to increase the amount available for sale under the Sales Agreement, up to an aggregate offering price of $14,500,000.

During the six months ended June 30, 2025, the Company issued 2,610,083 shares of its common stock at $0.52 per share related to a principal payment of senior convertible debt with Lind Global Fund II, LP for a total value of $1,358,597.

During the six months ended June 30, 2025, the Company issued 400,000 shares of common stock to employees, directors and investors. The shares were valued at $0.44 per share and the Company expensed $176,000 related to the issuances.

Warrants to Purchase Common Stock

A summary of the warrants outstanding as of June 30, 2026 were as follows:

	Shares	Weighted Average Exercise Price
Outstanding as of December 31, 2025	1,154,106	$ 17.55
Issued	—	—
Exercised	—	—
Forfeited	—	—
Expired	(189,194)	64.7
Outstanding as of June 30, 2026	964,912	$ 15.52

The vested warrants of 964,912 had no aggregate intrinsic value as of June 30, 2026.

11. EQUITY INCENTIVE PLAN

On August 25, 2025, our Board of Directors approved, and on September 29, 2025, our stockholders adopted the Amended and Restated USBC, Inc. 2021 Equity Incentive Plan (the "2021 Plan"), effective September 29, 2025, which increased the plan share reserve by 65,000,000 shares. The 2021 Plan was previously amended effective July 31, 2025 to increase the plan share reserve to a total of 50,000,000 shares.

Under the 2021 Plan, all 115.3 million shares of common stock available under the Plan Share Reserve, as well as future shares added through the evergreen feature, are eligible for grants as "incentive stock options" intended to qualify for special tax treatment under Section 422 of the Internal Revenue Code of 1986, as amended.

The 2021 Plan contains an evergreen provision pursuant to which, on January 1 of each calendar year during the term specified in the 2021 Plan, the number of shares available for issuance under the 2021 Plan automatically increases by a number of shares equal to the lesser of (i) 15,000,000 shares, (ii) 4% of the outstanding shares of the Company's common stock on the last day of the immediately preceding fiscal year and (iii) such lesser number of shares as determined by the Board, in each case subject to adjustment for any stock split, reverse stock split, stock dividend or similar change in capitalization. Effective January 1, 2026, pursuant to the evergreen provision of the 2021 Plan, the maximum number of shares of common stock authorized under the 2021 Plan was increased by 15,000,000 shares to 130.4 million shares.

Stock Option Activity

Six Months Ended June 30, 2026

During the six months ended June 30, 2026, the Company issued stock option grants for 17,220,000 shares of common stock at a weighted average exercise price of $0.35. These options generally vest quarterly over three years beginning on the one-year anniversary of the grant date, with certain grants vesting earlier in accordance with the applicable award agreements. The options have contractual terms of ten years from the date of grant.

During the six months ended June 30, 2026, the Company repriced 82,000,000 stock options from an exercise price of $1.10 per share to $0.37 per share, representing the closing market price of the Company's common stock on the date of Board approval. The Company recognized incremental stock-based compensation expense of $964,930 related to the option repricing during the six months ended June 30, 2026, in accordance with ASC 718.

During the six months ended June 30, 2026, stock option grants for 14,387,500 shares at an average exercise price of $1.04 per share were forfeited or cancelled, and vested stock option grants for 12,500 shares at an average exercise price of $1.10 expired without being exercised.

Stock option activity for the six months ended June 30, 2026 was as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding as of December 31, 2025	96,150,750	$ 1.08
Exercised	(750)	0.44
Granted	17,220,000	0.35
Forfeitures	(14,387,500)	1.04
Expired	(12,500)	1.10
Outstanding as of June 30, 2026	98,970,000	$ 0.37

The following table summarizes information about stock options outstanding and exercisable as of June 30, 2026:

Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Life In Years	Weighted Average Exercise Price Outstanding	Number Exercisable	Weighted Average Exercise Price Exercisable
$0.33	6,750,000	10.00	$ 0.33	—	$ 0.33
$0.37	92,220,000	9.72	$ 0.37	9,235,000	$ 0.37
	98,970,000	9.73	$ 0.37	9,235,000	$ 0.37

The vested stock option grants of 9,235,000 shares had no aggregate intrinsic value as of June 30, 2026.

The significant weighted average assumptions relating to the valuation of the Company's stock option grants issued and repriced during the six months ended June 30, 2026 were as follows:

Assumptions	
Dividend yield	— %
Exercise price	$0.37
Expected term	5.6 years
Expected volatility	70.6 %
Risk free interest rate	4.0 %

There were 98,970,000 options to purchase common stock at an average exercise price of $0.37 per share outstanding as of June 30, 2026 under the 2021 Plan. The Company recorded $7,286,874 and $176,000 of compensation expense, net of related tax effects, relative to stock options for the three months ended June 30, 2026 and 2025, respectively, in accordance with ASC 718. The Company recorded $11,212,099 and $593,681 of compensation expense, net of related tax effects, relative to stock options for the six months ended June 30, 2026 and 2025, respectively, in accordance with ASC 718. As of June 30, 2026, there is $78,769,477 of total unrecognized costs related to granted stock options that are not vested. As of June 30, 2026, approximately 31.4 million shares of common stock remained available for future grants under the 2021 Plan.

12. INCOME TAXES

The Company accounts for income taxes in interim reporting periods using the estimated annual effective tax rate ("AETR") method in accordance with ASC 740-270, *Interim Reporting,* which is applied to year-to-date ordinary income or loss. The estimated AETR reflects the Company's core operating results and other rate-impacting items and is determined without a valuation allowance, consistent with the release of the Company's valuation allowance at December 31, 2025, which management continues to believe is supportable based on current facts and circumstances.

The estimated AETR excludes the effects of Bitcoin fair-value adjustments, as the related fluctuations are inherently volatile and not reliably predictable for purposes of estimating annual pretax income. Changes in the fair value of Bitcoin holdings give rise to temporary differences, and the related deferred tax effects are recorded discretely in the period incurred and do not impact the AETR.

13. TRANSACTIONS WITH RELATED PARTIES

Transactions with Former CEO and Chairman Ronald P. Erickson, Particle Acquisition Corporation, and J3E2A2Z LP

Mr. Erickson previously served as the Company's Chief Executive Officer and Chairman from January 2023 through August 6, 2025. Following the closing of the Goldeneye 1995 LLC capital investment on August 6, 2025, Mr. Erickson transitioned to the role of President of the Science Division, Senior Vice President. Mr. Erickson concluded his service as a member of the Board and as the President of the Company's Science Division, Senior Vice President in connection with the completion of the divestiture of the Company's legacy non-invasive sensor technology business on March 27, 2026 to Particle Acquisition Corporation, an entity controlled by Mr. Erickson.

On May 5, 2025, the Company issued 100,000 shares of common stock to Mr. Erickson. The shares were valued at $0.44 per share.

Effective August 6, 2025, the Company issued 335,000 shares of common stock to Mr. Erickson that were valued at $0.50 per share, 50% of which were fully vested upon grant and the remainder of which would vest, subject to Mr. Erickson's continued employment through each vesting date, in eight quarterly installments with the first two installments vesting following a six-month cliff. The unvested restricted shares vested in full upon the Company's March 27, 2026 divestiture of its legacy sensor technology business, which constituted a sale of all of the sensor related intellectual property.

J3E2A2Z LP. On January 30, 2024, the Company signed an Extension of Warrant Agreement with each of Mr. Erickson and J3E2A2Z LP, an entity controlled by Mr. Erickson, extending the exercise dates of the 47,367 warrants issued in conjunction with the Convertible Promissory Notes from January 30, 2024 to January 31, 2026. All of the warrants expired on the extended exercise date since they were not exercised.

On October 22, 2024, the due dates on the two Convertible Promissory Notes, each dated January 31, 2018, with J3E2A2Z LP, were extended to September 30, 2025 from September 30, 2024 and the interest rate was increased from 6% to 8%.

On June 2, 2025, the Company entered into a Promissory Note Conversion Agreement with J3E2A2Z LP, pursuant to which $1,184,066 of principal owed under the two outstanding Convertible Promissory Notes was exchanged for 16,916 shares of Series H Convertible Preferred Stock. Each share of Series H Preferred was convertible into shares of the Company's common stock at an initial conversion price of $0.335 per share and carried an 8% cumulative dividend. The Company recognized a deemed dividend of approximately $0.7 million upon the conversion.

On August 6, 2025, upon election by J3E2A2Z LP, the Company redeemed all 16,916 issued and outstanding shares of Series H Convertible Preferred Stock held by J3E2A2Z LP for (i) cash of approximately $654,276 and (ii) the issuance of 2.0 million shares of common stock in the aggregate, at a conversion price of $0.335 per share, representing total consideration equal to the stated value of $70 plus all accrued and unpaid dividends in an amount of approximately $140,210. As of June 30, 2026, all obligations under the Series H convertible preferred instrument had been satisfied.

Particle Acquisition Corporation. On March 27, 2026, the Company completed the divestiture of its legacy non-invasive sensor technology business pursuant to a Stock Purchase Agreement entered into by and among the Company, Particle, Inc., a Nevada corporation and wholly owned subsidiary of the Company, and Particle Acquisition Corporation, a Nevada corporation controlled by Ronald P. Erickson, former Chairman, President and CEO of Know Labs, Inc. (the "Buyer").

Under the terms of the Stock Purchase Agreement, the Company agreed to transfer to the Buyer, free and clear of all liens, all of the issued and outstanding equity interests of Particle in exchange for aggregate consideration of (i) USD One Dollar ($1.00), and (ii) the assumption of all obligations specifically related to the business, including the lease for the corporate office facility in Seattle, Washington.

The Stock Purchase Agreement also obligates the Buyer to pay to the Company a revenue share amount equal to ten percent (10%) of all future net revenue generated from products that incorporate or utilize the proprietary non-invasive diagnostic and sensor technology platform or related intellectual property transferred to the Buyer (each, a “Covered Product”), payable during the period commencing on the Closing Date until the earlier of (i) the fifth anniversary of the first commercial sale of a Covered Product or (ii) the occurrence of a change of control of the Buyer. In addition, upon the consummation of any future acquisition or change of control of the Buyer or the Covered Products that occurs on or prior to the fifth anniversary of the Closing Date, the Buyer is required to pay to the Company an acquisition share payment ranging between five percent (5%) and thirty-five percent (35%) of such acquisition proceeds.

Effective as of the Closing Date of the divestiture of the legacy sensor business, Mr. Erickson concluded his service as a member of the Company's Board of Directors and as President of the Company's Science Division. The Company recognized compensation expense of approximately $275,000 related to the accelerated vesting of the unvested restricted stock awards during the six months ended June 30, 2026.

Transactions with the Company's Vice Chair Linda Jenkinson and non-CEO NEOs

On October 7, 2025, the Company’s Board approved a repricing of outstanding stock options granted on August 6, 2025 as permitted by our Amended and Restated 2021 Equity Incentive Plan, including options held by certain executive officers and directors. The exercise price of approximately 48.6 million outstanding options, including 4,760,000 options granted to our Vice Chair Linda Jenkinson and 1,790,000 and 7,140,000 options granted to our non-CEOs, Ms. Payne and Mr. Chapman, respectively, was reduced from $2.45 to $1.10 per share, the closing market price on the date of approval. The repricing applied uniformly to all participants and was reviewed and approved by the Board of Directors, which determined that the adjustment was in the best interests of stockholders to maintain the incentive and retention value of eligible awards in light of prevailing market conditions.

On October 7, 2025, the Board approved the grant of 55.0 million ten year stock options under the 2021 Plan, including 5,240,000 options granted to Vice Chair Linda Jenkinson and 1,960,000 and 7,860,000 options granted to non-CEO NEOs, Ms. Payne and Mr. Chapman, respectively. The exercise price of the options granted was $1.10 per share, the closing market price of our common stock on the date of Board approval. The options will vest 25% of the shares on the one-year anniversary of the grant date and in quarterly installments thereafter over the next three years, subject to their continued service.

On December 15, 2025, the Company and Kirk Chapman mutually agreed that Mr. Chapman would depart from his position as Chief Operating Officer, effective immediately. The departure was not the result of any disagreement with the Company on any matter related to the Company's operations, policies or practices. On January 6, 2026, the Company entered into a separation agreement with Mr. Chapman, in connection with his departure. Mr. Chapman’s separation from the Company became effective on December 31, 2025, at which time all of his unvested option awards were forfeited.

On March 18, 2026, the Company’s Board approved a repricing of all outstanding stock options, as permitted by our Amended and Restated 2021 Equity Incentive Plan, including options held by certain executive officers and directors. The exercise price of approximately 82.0 million outstanding options, including 10,000,000 options granted to Vice Chair Linda Jenkinson and 3,750,000 options granted to non-CEO NEO, Ms. Payne, was reduced from $1.10 to $0.37 per share, the closing market price on the date of approval. The repricing applied uniformly to all participants and was reviewed and approved by the Board of Directors, which determined that the adjustment was in the best interests of stockholders to maintain the incentive and retention value of eligible awards in light of prevailing market conditions.

Transactions with Former Director John Cronin and ipCapital Group, Inc.

Mr. Cronin served as a director beginning in November 2023 and was the Company’s Interim Chief Technology Officer from September 2024 to August 2025. He is Chairman and CEO of ipCapital Group, Inc., to which the Company paid approximately $50,000 in professional-service fees during the three months ended June 30, 2025. The Company did not pay professional service fees to Mr. Cronin during the three months ended June 30, 2026. No ongoing consulting or advisory agreements with Mr. Cronin or ipCapital Group, Inc. were in effect as of June 30, 2026. On November 19, 2025, Mr. Cronin provided the Company with notice of his resignation from the Board of Directors. His decision to resign was not the result of any disagreement with the Company or its management on any matter relating to the Company’s operations, policies, or practices.

Transactions with Vice Chair Linda Jenkinson, Chairman and CEO Robert Gregory Kidd, and Vast Holdings, Inc.

Linda Jenkinson has served as the Company's Vice Chair since August 2025 and is also the Chief Executive Officer and Chair of Vast Holdings, Inc., the holding company for Vast Bank. In 2024, the Company's Chairman and CEO, Robert Gregory Kidd, personally invested $53 million of capital into Vast Holdings, Inc. to support Vast Bank, both in Tulsa, Oklahoma. On October 23, 2025, the Company announced a collaboration with Vast Bank and Uphold to develop a network to deliver retail tokenized U.S.-dollar deposit products which was formalized in a strategic partnership agreement entered into on January 20, 2026. The Company's collaboration with Vast Bank and Uphold contemplates joint development and pilot activities related to the deposit tokenization initiative. The terms of the collaboration were negotiated at arm's length and reviewed by disinterested members of the Company's Board.

On March 18, 2026, the Company entered into an Affiliate Services Agreement with Vast Holdings, Inc. pursuant to which the Company is reimbursing Vast Holdings, Inc. for certain strategic, operational and administrative services in support of the further development of the tokenized deposit program offering, subject to a reimbursement cap of $10.5 million during the term of the agreement unless otherwise agreed. The Company recognized $1.8 million and $4.4 million of expenses during the three and six months ended June 30, 2026, respectively, in connection with this agreement, of which $0.5 million was recorded in Accounts payable - trade in the Consolidated Balance Sheet as of June 30, 2026.

The Company did not engage in any material transactions with related parties during the six months ended June 30, 2026, and 2025 other than the transactions disclosed above.

14. COMMITMENTS, CONTINGENCIES AND LEGAL PROCEEDINGS

Legal Proceedings

The Company may from time to time become a party to various legal proceedings arising in the ordinary course of business. The Company is currently not a party to any pending legal proceeding that is not ordinary routine litigation incidental to the Company's business.

Properties and Operating Leases

The Company maintains vacant executive and research and testing facilities in Seattle, Washington. On March 2, 2024, the Company entered into a lease for 5,996 square feet at 619 Western Avenue, Suite 610, Seattle, Washington 98104, at a net monthly payment of $11,492, subject to 3% annual increases after the first year. The lease commenced on May 1, 2024 and is originally scheduled to terminate on July 31, 2027. On July 9, 2025, the Company entered into a Deferred Rent Agreement with the landlord, pursuant to which the Company paid $31,732 and deferred $91,094 of contractual base rent through the remaining lease term. As a result of the Deferred Rent Agreement, a portion of the Company's contractual base rent is deferred, reducing the monthly cash payment for base rent to approximately $8,000, exclusive of applicable triple-net charges, with the deferred amounts payable over the remaining lease term.

Off-Balance Sheet Commitments

As of June 30, 2026, the Company had an outstanding commitment to provide secured financing of up to $450,000, of which $225,000 remained unfunded. The note matures on September 23, 2026, with an option to extend the maturity date up to 180 days. The loan to the borrower is not an unconditionally cancelable instrument, and as of June 30, 2026, the Company recorded a liability for expected credit loss of $180,000 on the unfunded commitment. The estimate of expected credit losses for off-balance sheet commitments considers the likelihood that funding will occur, expected utilization rates, borrower credit quality, collateral values, and current and forecasted economic conditions.

15. SEGMENT REPORTING

The Financial Accounting Standards Board, Accounting Standard Codification Topic 280, Segment Reporting, requires that an enterprise report selected information about reportable segments in its financial reports issued to its stockholders. Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Makers ("CODMs") to allocate resources and assess performance. The Company has determined that its Chief Executive Officer and Chief Financial Officer collectively function as the CODM because they jointly review consolidated operating results, evaluate performance and make decisions regarding the allocation of resources on a consolidated basis. The CODMs monitor the expense components of the various products and services we offer, but operations are managed and financial performance is evaluated on a corporation-wide basis in comparison to a business plan which is developed each year.

Although the Company conducts activities across multiple business initiatives, including digital asset treasury activities, and product development related to the tokenized deposit program offering, the Company does not prepare or utilize separate financial information at a level below the consolidated financial statements. In addition, the CODMs do not regularly review revenue, expense, or profitability information by business line, product, or service. Accordingly, all operations are considered by management to be one operating segment and one reportable segment as contained in the Consolidated Statements of Operations included in the consolidated financial statements.

The CODMs use net income (loss) as reported in the consolidated financial statements, as the primary measure of performance for assessing results and allocating resources.

16. SUBSEQUENT EVENTS

Management evaluated subsequent events, for purposes of determining whether adjustment to or disclosure in the consolidated financial statements was required through the date the consolidated financial statements were issued. No events occurred subsequent to June 30, 2026 that would require recognition or disclosure in the financial statements other than the transaction described below.

On July 28, 2026, the Company drew an additional fixed-rate borrowing of $3.0 million (the "Fourth Draw") under the MLA previously entered into on March 18, 2026 with Payward Interactive, Inc. The Fourth Draw increases the aggregate principal amount outstanding under the MLA to $18.0 million and bears interest at a rate of 8.5% per annum maturing on July 28, 2027, unless earlier terminated in accordance with the terms of the MLA.

Borrowings under the MLA are solely secured by Bitcoin collateral held in custody with Payward Financial, Inc. and are subject to customary collateral maintenance provisions, including specified margin requirements and liquidation rights in the event of a collateral shortfall. In connection with the Fourth Draw, the Company pledged 91 additional Bitcoin as collateral, resulting in a total of 479 pledged Bitcoin collateral held in custody with a fair value of approximately $30.1 million as of July 31, 2026 and an LTV ratio of 59.8%. The Company was in compliance with all collateral maintenance requirements under the MLA as of July 31, 2026.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis summarizes the significant factors affecting our operating results, financial condition, liquidity and cash flows as of and for the periods presented below. The following discussion and analysis should be read in conjunction with our financial statements and the related notes in Part I, Item 1 of this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026. Unless otherwise indicated or the context otherwise requires, references to "USBC," "we," "us," "our," and the "Company" refer to USBC, Inc.

The discussion contains forward-looking statements within the meaning of the federal securities laws, which statements are subject to considerable risks and uncertainties and are based on the beliefs of management, as well as assumptions made by, and information currently available to, management. All statements other than statements of historical facts are forward-looking statements. These statements relate to future events or to our future financial performance, tokenized deposit program development, digital asset treasury strategy, anticipated events and trends affecting our business, the broader economy and other future conditions, and our interpretation of applicable state and federal securities laws and other laws and regulations relating to digital assets. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Investors should not consider non-GAAP financial measures referred to in this discussion in isolation or as substitutes for financial information presented in compliance with GAAP. Explanation of non-GAAP financial measures and reconciliation to the most directly comparable GAAP financial measure is included in this Management's Discussion and Analysis of Financial Condition and Results of Operations. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of various factors, including those discussed in this report and as set forth in the section entitled "Risk Factors" in Part I, Item 1A, of our Transition Report on Form-10-K for the transition period from October 1, 2025 to December 31, 2025, filed with the SEC on March 25, 2026, as updated in the section entitled "Risk Factors" contained in Part II, Item 1A of this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026.

Quarterly Overview

USBC, Inc. ("USBC" or the "Company") is a publicly traded technology company focused on the development of transformative financial services, including digital assets and banking solutions. A key focus of USBC is the further development of the USBC tokenized deposit program offering, a U.S. dollar-denominated tokenized deposit that operates on blockchain technology and incorporates digital identity. The USBC tokenized deposit offering combines the regulatory protections of traditional bank deposits with the efficiency and programmability of blockchain-based payments. USBC continues to advance subsequent phases of the product delivery strategy in preparation for a future public launch. USBC has also implemented a Bitcoin treasury strategy to bolster pre-launch development and research across its various divisions. With a focus on identity, inclusion, innovation, and risk management, USBC is dedicated to creating long-term stockholder value in a rapidly evolving financial landscape.

On August 6, 2025, following the closing of a strategic controlling-interest acquisition by Goldeneye 1995 LLC (an affiliate of our Chairman and Chief Executive Officer, Greg Kidd), the Company changed its corporate name to USBC, Inc. and its ticker symbol to “USBC” on the NYSE American. Until August 2025, the Company operated under the name Know Labs, Inc. and was primarily focused on non-invasive diagnostic and sensor technologies. Our corporate evolution reflects a strategic pivot to a financial services and digital assets platform.

On March 27, 2026, we completed the divestiture of our legacy non-invasive sensor technology business pursuant to a Stock Purchase Agreement entered into by and among USBC, Inc., its wholly owned subsidiary, Particle, Inc., and Particle Acquisition Corporation, an entity controlled by Ronald P. Erickson, former Chairman, President and CEO of Know Labs, Inc. (the "Buyer"). As part of the divestiture transaction, we agreed to provide the Buyer with limited operating capital to fund a portion of its operating expenses until the Buyer secures permanent equity financing. As of June 30, 2026, we had advanced $225,000 of the total amount committed under the credit facility, which matures on September 23, 2026, with an option to extend the maturity date for one additional period of one hundred eighty (180) days upon prior written notice. Additional information regarding the Stock Purchase Agreement and our commitment to extend a short-term secured line of credit to the Buyer in connection with the divestiture transaction is incorporated by reference from the Current Report on Form 8-K filed on April 2, 2026.

Our tokenized deposit program offering is being developed as an integrated platform comprising a permissioned blockchain ledger, a digital identity layer, wallet and consumer-facing mobile and web applications, a bank operations console, and developer portal designed to support future third-party developer integrations. Following the successful completion of Phase 1 of the delivery strategy, the Company initiated Phase 2 of its delivery strategy. Phase 2 is intended to expand testing to additional invited participants, build upon the core technical infrastructure established during Phase 1 and focus on advancing the platform toward commercial readiness through continued product development, operational integration, ecosystem expansion, and regulatory and operational readiness activities. The principal milestone for Phase 2 is to achieve operational readiness to support an initial commercial launch, subject to receipt of any required approvals.

We continue to execute under the Affiliate Services Agreement with Vast Holdings, Inc. (“Vast”), pursuant to which Vast provides strategic, operational and administrative services that support the further development of the tokenized deposit platform. As of July 31, 2026, we have incurred approximately $5.1 million in reimbursements to Vast for actual development-related costs under the $10.5 million cap contained in the Agreement which expires on December 31, 2026.

Recent Developments

On July 28, 2026, we drew an additional fixed-rate borrowing of $3.0 million under the Master Loan Agreement ("MLA") we entered into with Payward Interactive, Inc. on March 18, 2026, increasing the aggregate principal amount outstanding under the MLA to $18.0 million. We previously drew an initial fixed-rate borrowing of $5.0 million on March 20, 2026, followed by additional draws of $5.0 million on April 27, 2026 and June 1, 2026. Under the MLA, we may, from time to time, borrow fiat currency or digital assets on the terms set forth therein in an aggregate principal amount of up to $25.0 million for up to a twelve-month term, subject to execution of one or more individual loan term sheets. Borrowings under the MLA bear interest at 8.5% per annum and, based on the borrowings outstanding as of July 28, 2026, mature on July 28, 2027 unless earlier terminated in accordance with the terms of the MLA. The MLA contains customary conditions, initial collateral requirements, collateral maintenance and liquidation mechanics, and early return and recall rights. Borrowings under the MLA are solely secured by Bitcoin collateral held in custody with Payward Financial, Inc. and are subject to collateral maintenance requirements based on specified margin ratios.

Under the terms of the MLA, the required initial margin ratio is 150% of the outstanding borrowings at the time of each loan draw, which is equivalent to a maximum loan-to-value ratio of approximately 66.7%. If the margin ratio declines to 130% or lower, the Lender will issue a margin call requiring us to either post additional Bitcoin collateral or partially repay outstanding borrowings within 24 hours in order to restore compliance with the required margin ratio. Under the MLA, if the margin ratio declines to 120% or lower and we do not timely cure the deficiency in accordance with the terms of the MLA, the Lender may exercise its contractual rights with respect to the collateral, including liquidation rights. In addition, under the MLA, we may request the release of excess collateral if the margin ratio exceeds 170% for two consecutive days, subject to the terms and conditions of the MLA. The fair value of pledged Bitcoin collateral is determined by the Lender based on the applicable Bitcoin market spot rate. Under the MLA, the "applicable Bitcoin market spot rate" is defined as the spot rate, as of the applicable date or time of determination, for the applicable digital currency published on CFBenchmarks.com, the website of CF Benchmarks Ltd., which publishes digital asset reference rates, or such other reference spot rate as may be mutually agreed by the parties to the MLA from time to time. When a valuation is required to be determined by the Lender under the MLA, the applicable Bitcoin market spot rate at the applicable time of determination is used by the Lender to determine the fair value of the pledged Bitcoin collateral. The "applicable date or time of determination" refers to the date and time at which the Lender is required to determine the fair value of the pledged Bitcoin collateral pursuant to the collateral valuation and maintenance provisions of the MLA, (e.g., at the point in time when the Lender is required to value the collateral or assess a collateral ratio for a margin-related event under the MLA).

The collateral valuation and maintenance provisions of the MLA provide that, prior to each loan advance, we must pledge Bitcoin collateral sufficient to satisfy the Required Margin Ratio specified in the applicable Loan Term Sheet. Thereafter, the Margin Ratio is determined based on the fair value of the pledged Bitcoin collateral and the Total Loan Balance. The Lender continuously monitors the collateral ratio of the MLA against the CF Benchmarks reference price feed to assess compliance with the collateral requirements under the MLA. If the Margin Ratio falls to or below the applicable Collateral Call Margin Ratio, the Lender may issue a collateral call requiring the Borrower to restore the Required Margin Ratio. If the Margin Ratio falls to or below the applicable Liquidation Ratio, the Lender may liquidate the pledged Bitcoin collateral in accordance with the terms of the MLA. The MLA also permits the Borrower to request the return of excess pledged Bitcoin collateral when the applicable Collateral Return Margin Ratio specified in the applicable Loan Term Sheet has been satisfied. The obligations under the MLA are prepayable at our option at any time after three months from the date of the initial loan draw without penalty. The MLA has an initial one-year term and automatically renews for successive one-year terms unless terminated in accordance with its terms. We may terminate the MLA at any time, and either party may terminate the MLA upon 30 days' written notice, provided that any outstanding loans remain in effect until repaid or otherwise terminated in accordance with the MLA.

As of July 31, 2026, a decline of approximately 22.3% in the value of pledged Bitcoin collateral, assuming no repayment or additional collateral posting, would have reduced the collateral coverage ratio to the 130% collateral call margin ratio. No collateral calls, mandatory repayments, or liquidation events had occurred under the MLA as of July 31, 2026.

Proceeds from the MLA are being used primarily to fund further development costs of the tokenized deposit program offering, including costs paid to our affiliate, Vast Holdings, Inc. (“Vast”) under the terms of the Affiliate Services Agreement (the “Agreement”) we simultaneously entered into on March 18, 2026. Pursuant to the terms of the Agreement, we reimburse Vast's wholly-owned subsidiary, Vast Bank, for the costs of performing certain strategic, operational and administrative services that support the development of our tokenized deposit platform, subject to the reimbursement cap of $10.5 million contained in the Agreement. The Agreement expires on December 31, 2026. As of July 31, 2026, we had incurred approximately $5.1 million in reimbursements of actual development-related costs in accordance with the terms of the Agreement. The Agreement may be terminated by us without cause upon 60 days' prior written notice. Either party may terminate the Affiliate Services Agreement immediately upon written notice if the other party breaches the Agreement and fails to cure such breach within 15 days after written notice. Either party may also terminate the Agreement if a state or federal regulatory authority requests or directs the terminating party to terminate the Agreement, or criticizes or challenges the terminating party's actions under the Agreement during a regulatory examination or otherwise.

Upon termination by us, we are responsible for certain reasonable, pre-approved third-party termination costs, subject to specified limitations. Specified limitations mean that we are not responsible for internal overhead, lost profits, unamortized internal costs, or severance or other employee-related termination payments unless expressly approved in advance in writing by us. These provisions are intended to ensure that, if we terminate the Bank Services, Vast Bank is reimbursed for certain unavoidable third-party costs that arise directly from the termination, while limiting our responsibility to documented, reasonable costs that were anticipated by the parties or approved in advance. Certain reasonable, pre-approved third-party termination costs mean that, in the event we terminate the Agreement with respect to the Bank Services, we shall be responsible for reimbursing Vast Bank for reasonable, documented, unavoidable, and non-cancelable third-party costs actually incurred by Vast Bank solely as a direct result of such termination, to the extent such costs were either expressly contemplated by this Agreement or approved in advance in writing by us. Examples of these costs include non-cancelable implementation fees, subscription commitments, software licensing fees, platform access fees, onboarding and integration costs, or other contractual obligations payable to third-party service providers that are directly attributable to the terminated services.

On June 12, 2026, our Board of Directors approved a proposal to effect a reverse stock split of our outstanding common stock (the "Reverse Split") at a ratio ranging from 1-for-2 to 1-for-5. Our Board's primary purpose for approving and recommending the Reverse Split is to make our common stock more attractive to investors, provide for a stronger investor base, and to increase the per share price and bid price of our common stock to maintain compliance with the NYSE American continued listing requirements. On June 15, 2026, Goldeneye, the holder of approximately 92.2% of the voting power of our outstanding common stock, approved the Reverse Split by written consent in lieu of a special meeting of stockholders. The Reverse Split will not reduce the number of authorized shares of our common stock, and no fractional shares will be issued. We will determine the exact ratio and timing of the Reverse Split, which may be effected, if at all, within twelve (12) months following June 15, 2026. On June 22, 2026, we filed a preliminary Information Statement on Schedule 14C with the SEC, and a definitive Information Statement on Schedule 14C with the SEC on July 13, 2026. On July 20, 2026, we commenced mailing the Definitive Information Statement to stockholders of record in accordance with Rule 14c-2 under the Securities Exchange Act of 1934, as amended. The Reverse Split will not become effective until the applicable Rule 14c-2 notice period has expired and the effective date of the Reverse Split has been determined. Once effective, the Reverse Split will have the effect of decreasing the number of shares of our common stock issued, but will have no effect on the number of shares of common stock we are authorized to issue.

On March 10, 2026, we initiated Phase 1 of our multi-phase delivery strategy for how we will bring the USBC tokenized deposit program offering to market in collaboration with Vast Bank, the initial issuing bank for the tokenized deposit program offering. Phase 1 was conducted with a limited group of internal users who elected to participate in an expanded employee pilot program ahead of the public launch of the branded platform. The principal milestone of Phase 1 was completion of technical readiness testing to support subsequent phases of the delivery strategy, including testing of customer onboarding and identity recovery, ACH funding, spending functionality, treasury conversion, messaging and activity logging.

Following the successful completion of Phase 1 of the delivery strategy, we initiated Phase 2 of the delivery strategy. Phase 2 is intended to expand testing to additional invited participants, build upon the core technical infrastructure established during Phase 1 and focus on advancing the platform toward commercial readiness through continued product development, operational integration, ecosystem expansion, and regulatory and operational readiness activities. The principal milestone for Phase 2 is to achieve operational readiness to support an initial commercial launch, subject to receipt of any required approvals.

As part of these ongoing product enhancements, we have developed USBC Pay, that supports merchant payments and settlement on the USBC tokenized deposit platform. USBC Pay represents the payment functionality of the USBC tokenized deposit platform and is intended to expand the use of tokenized deposits for everyday payment transactions as we advance through future phases of our product delivery strategy. USBC Pay is designed to enable eligible users to initiate blockchain-based U.S. dollar payment transactions between consumers and merchants directly through the USBC ledger without touching legacy card rails or ACH for point-of-sale transactions. We have developed the initial version of the USBC Pay functionality for iOS and Android devices and continue to focus on enhancements for the functionality.

We continue to advance iterative product enhancements, operational readiness, and subsequent phases of the delivery strategy in preparation for a future public launch, which remains subject to regulatory, operational, market, board, and bank partner considerations. Phase 3 is intended to support the initial commercial launch of the tokenized-deposit product through selected distribution partners. Phase 4 is intended to support broader commercialization through additional product functionality, integrations and distribution channels.

Following public launch and subject to applicable legal, regulatory and onboarding requirements, developers and partners are expected to be able to integrate the USBC network into mobile and web-based applications, enabling eligible customers to access and transfer tokenized deposits through supported digital interfaces.

On January 20, 2026, we formalized our collaboration with Uphold HQ Inc. (“Uphold”) and Vast Bank, N.A. (“Vast Bank”), which will serve as the initial issuing bank for the U.S. Bank Coin (“USBC”) tokenized-deposit program offering. Uphold is a financial technology company that provides modern infrastructure for on-chain payments, banking and investment services. Vast Bank is a federally regulated financial institution that will serve as the initial issuing bank for customer deposit accounts underlying the tokenized-deposit program. USBC will serve as the network operator, Vast Bank will serve as the issuing bank for customer deposit accounts, and Uphold will provide platform integration and customer access services. We continue to advance technical, operational, and regulatory readiness in connection with subsequent phases of the delivery strategy and any future broader launch of the USBC tokenized-deposit program offering.

Vast Bank, USBC and Uphold (the "Parties") shall each be entitled to a proportionate revenue share under the terms set forth in the Tri-Party Agreement. Deposit Revenue shall be calculated monthly based on the anticipated yield attributable to the tokenized deposit balances allocated to each asset category as determined by Vast in its sole discretion. The anticipated yield for each category shall be multiplied by the portion of Tokenized Deposit Balances allocated to such category to determine total Deposit Revenue for the applicable period. USBC, as the revenue share agent, is responsible for preparing and delivering a monthly revenue share statement to each of the Parties to enable payment of the proportionate revenue share, net of allocated program expenses incurred in operating and supporting the tokenized deposit network, such as costs related to payments and other transaction types, risk management, and third-party processing. Except as otherwise provided in the Tri-Party Agreement, each of the Parties shall bear and pay all direct costs and expenses incurred by it or on its behalf, or assessed against it or on its behalf, in performing its obligations under the Tri-Party Agreement. See the Tri-Party Agreement filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 26, 2026.

The Tri-Party Agreement has an initial term of one (1) year following the general commercial launch of the tokenized deposit program on the Uphold platform and automatically renews for successive one (1) year terms unless timely notice of non-renewal is provided by either Party. The Tri-Party Agreement may also be terminated upon the occurrence of specified events, including an uncured material breach, insolvency or bankruptcy, certain force majeure events, or if a governmental authority directs a party to cease or materially limit its performance, and provides for an orderly transition or wind-down of the program following termination.

The Tri-Party Agreement between Uphold, Vast Bank, and USBC provides that the non-binding memorandum of understanding signed by USBC, Vast Bank, and Uphold in October 2025 was terminated in its entirety as of the effective date of January 20, 2026. Additional information regarding the strategic partnership agreement by and among USBC, Vast Bank and Uphold is incorporated by reference from the Current Report on Form 8-K filed on January 26, 2026.

RESULTS OF OPERATIONS

Results of Operations

Our operating results for the three and six months ended June 30, 2026 reflect the strategic transition to our digital asset treasury and financial technology development initiatives following the Goldeneye capital investment completed on August 6, 2025. Operating results for periods prior to August 6, 2025, reflect the Company's prior focus on non-invasive diagnostic and sensor technologies.

We did not generate any operating revenue during the six months ended June 30, 2026, or 2025. During the six months ended June 30, 2026, we continued to focus on financial technology development activities, and we expect any future operating revenues to be generated from financial technology network services, including the planned USBC tokenized deposit program offering.

Although we expect to continue to incur operating losses in the near term, we believe our potential future revenue opportunities and strong capital structure provide us with flexibility to pursue our digital asset treasury and financial technology development initiatives.

Three Months Ended June 30, 2026 compared to June 30, 2025

The following table sets forth key components of our results of operations for the three months ended June 30, 2026, and 2025.

(in thousands)

	Three Months Ended June 30,		
	2026	2025	$ Variance
Operating expenses-			
Research and development expenses	$ 57	$ 239	$ (182)
Selling, general and administrative expenses	16,373	1,016	15,357
Total operating expenses	16,430	1,255	15,175
Operating loss	(16,430)	(1,255)	(15,175)
Other Income (Expense), Net:			
Interest income	15	1	14
Interest expense	(220)	(276)	56
Change in fair value of digital assets	(9,706)	—	(9,706)
Other derivative income, net	671	—	671
Provision for credit losses	(354)	—	(354)
Total other income (expense), net	(9,594)	(275)	(9,319)
Loss before income taxes	(26,024)	(1,530)	(24,494)
Income tax benefit	(5,236)	—	(5,236)
Net loss	$ (20,788)	$ (1,530)	$ (19,258)

Research and Development. R&D expenses were $57,000 for the three months ended June 30, 2026, a decrease of $182,000 compared to the comparable prior-year period. In February 2026, we completed our evaluation of the legacy non-invasive sensor technology business and the associated divestiture transaction closed on March 27, 2026.

Selling, General and Administrative. SG&A expense was $16,373,000 for the three months ended June 30, 2026, compared to $1,016,000 for the comparable prior-year period, an increase of $15,357,000. The significant increase in SG&A expense compared to the prior-year period was primarily attributable to increases in non-cash stock-based compensation expense of $7.1 million, operational expenses for tokenized deposit program offering development of $4.6 million (including $3.3 million incurred under agreements with affiliated service providers), and professional fees and other public company and advisory costs of $3.6 million associated with our strategic transition.

Other Expense, Net. Other expense, net for the three months ended June 30, 2026 was $9,594,000, compared to $275,000 for the comparable prior-year period, an increase of $9,319,000. The significant increase in other expense, net compared to the prior-year period was primarily driven by changes in fair value of digital assets of $9.7 million, provision for credit losses of $0.4 million, partially offset by derivative income, net of $0.7 million, generated from option premiums collected under our Bitcoin treasury trading strategy; there was no derivative income, net generated during the prior year period since we commenced buying and selling call options on our Bitcoin holdings during the fourth fiscal quarter of 2025.

Income tax benefit. Income tax benefit was $5,236,000 for the three months ended June 30, 2026; there was no income tax benefit for the comparable prior-year period, an increase of $5,236,000. The increase in the income tax benefit compared to the prior-year period was primarily related to the tax effect of the change in fair value of digital assets, driven by volatility in digital asset markets, which caused a significant decline in the fair value of Bitcoin, net of the benefit of the deferred tax asset.

Net Loss. We reported a net loss of $20,788,000 for the three months ended June 30, 2026, compared with a net loss of $1,530,000 for the comparable prior-year period, an increase of $19,258,000. The significant increase in the net loss compared to the prior-year period primarily reflects the change in fair value of digital assets of $9.7 million, provision for credit losses of $0.4 million, operational expenses for tokenized deposit program offering development of $4.6 million, non-cash stock-based compensation expense of $7.1 million, professional fees and other public-company and advisory costs of $3.6 million, partially offset by a deferred income tax benefit of $5.2 million.

Six Months Ended June 30, 2026 compared to June 30, 2025

The following table sets forth key components of our results of operations for the six months ended June 30, 2026, and 2025.

(in thousands)

	Six Months Ended June 30,		
	2026	2025	$ Variance
Operating expenses-			
Research and development expenses	$ 276	$ 657	$ (381)
Selling, general and administrative expenses	27,822	2,805	25,017
Total operating expenses	28,098	3,462	24,636
Operating loss	(28,098)	(3,462)	(24,636)
Other Income (Expense), Net:			
Interest income	26	4	22
Interest expense	(234)	(1,650)	1,416
Change in fair value of digital assets	(29,710)	—	(29,710)
Other derivative income, net	2,228	—	2,228
Provision for credit losses	(2,531)	—	(2,531)
Total other income (expense), net	(30,221)	(1,646)	(28,575)
Loss before income taxes	(58,319)	(5,108)	(53,211)
Income tax benefit	(11,976)	—	(11,976)
Net loss	$ (46,343)	$ (5,108)	$ (41,235)

Research and Development. R&D expenses were $276,000 for the six months ended June 30, 2026, a decrease compared to $657,000 for the comparable prior-year period. In February 2026, we completed our evaluation of the legacy non-invasive sensor technology business and the associated divestiture transaction closed on March 27, 2026.

Selling, General and Administrative. SG&A expense was $27,822,000 for the six months ended June 30, 2026, compared to $2,805,000 for the comparable prior-year period, an increase of $25,017,000. The significant increase in SG&A expense compared to the prior-year period was primarily attributable to increases in non-cash stock-based compensation expense of $10.4 million, operational expenses for tokenized deposit program offering development of $9.3 million (including $6.3 million incurred under agreements with affiliated service providers), and professional fees and other public company and advisory costs of $5.2 million associated with our strategic transition.

Other Expense, Net. Other expense, net for the six months ended June 30, 2026 was $30,221,000, compared to $1,646,000 for the comparable prior-year period, an increase of $28,575,000. The significant increase in other expense, net compared to the prior-year period was primarily driven by the change in fair value of digital assets of $29.7 million and a $2.5 million provision for credit losses, partially offset by derivative income, net of $2.2 million generated from option premiums collected under our Bitcoin treasury trading strategy, and a $1.4 million reduction in interest expense as a result of higher non-cash financing-related charges in the prior year period, primarily related to repricing and extensions of convertible securities. There was no derivative income, net generated during the prior year period since we commenced buying and selling call options on our Bitcoin holdings during the fourth fiscal quarter of 2025.

Income tax benefit. Income tax benefit was $11,976,000 for the six months ended June 30, 2026; there was no income tax benefit for the comparable prior-year period, an increase of $11,976,000. The increase in the income tax benefit compared to the prior-year period was primarily related to the tax effect of the change in fair value of digital assets, driven by volatility in digital asset markets, which caused a significant decline in the fair value of Bitcoin, net of the benefit of the deferred tax asset.

Net Loss. We reported a net loss of $46,343,000 for the six months ended June 30, 2026, compared with a net loss of $5,108,000 for the comparable prior-year period, an increase of $41,235,000. The significant increase in the net loss compared to the prior-year period primarily reflects the change in fair value of digital assets of $29.7 million, provision for credit losses of $2.5 million, operational expenses for tokenized deposit program offering development of $9.3 million, non-cash stock-based compensation expense of $10.4 million, professional fees and other public company and advisory costs of $5.2 million, partially offset by a deferred income tax benefit of $12.0 million.

Known Trends and Uncertainties

We anticipate that our future operating results will be heavily influenced by the following factors:

- Financing dependence: We expect to require additional liquidity sources in the near term to fund the shortfall in net operating revenue as we continue investing in the further development of the tokenized deposit program offering, which sources may include equity or debt financings, potential sales of Bitcoin, Bitcoin-collateralized financing arrangements, and related-party funding or other investor financing.

- Digital-asset market volatility: Changes in the market price of Bitcoin could cause material non-cash gains or losses in our results of operations each period.

- Integration of bank and technology partners: Our future results will depend on successful technical and regulatory integration with partner banks and technology providers supporting our tokenized deposit platform offering. Delays or changes in bank and developer partner strategy could affect timing of launches and revenue realization.

- Regulatory developments: Evolving federal and state treatment of digital assets, stablecoins, and related financial-technology services could adversely affect our business model and accounting policies.

Liquidity and Capital Resources

As of June 30, 2026, we had cash and cash equivalents (excluding restricted cash) of $3.0 million and working capital of $(15.4) million. The negative working capital position was primarily driven by the $15.0 million loan payable and costs incurred during the six months ended June 30, 2026, to develop the tokenized deposit program. Operational expenses for the tokenized deposit program offering development were $9.3 million (including $6.3 million incurred under agreements with affiliated service providers) and professional fees of $5.2 million associated with our development initiatives.

We have historically incurred recurring losses and had an accumulated deficit of $236.9 million as of June 30, 2026. We recorded a net loss of $46.3 million for the six months ended June 30, 2026, a significant increase compared to a net loss of $5.1 million recorded for the comparable prior-year period. The increase in net loss was primarily attributable to a $29.7 million unrealized loss recorded to reflect the decline in the fair value of digital assets during the 2026 period. The comparable prior-year period was not impacted by non-cash change in the fair value of digital assets because we did not own any digital assets during that period. We continue to hold the underlying digital assets as of June 30, 2026 and currently intend to continue holding such digital assets for the foreseeable future.

Our liquidity position as of June 30, 2026 reflects the net proceeds of the equity issuance from the private placement completed on August 6, 2025 in which we issued approximately 357.8 million shares of common stock at $0.335 per share, for an aggregate purchase price consisting of 1,000 Bitcoin and $15.0 million in cash. As such, a substantial portion of our assets consist of Bitcoin. We view our Bitcoin holdings as long-term strategic reserves rather than trading assets although we may convert Bitcoin to cash periodically to fund operations and pledge it as collateral under certain financing arrangements that provide capital to support product development and other general corporate purposes.

During the six months ended June 30, 2026, our liquidity was primarily utilized to fund operating expenses and working capital requirements. Management believes that existing liquidity and digital asset holdings are sufficient to fund our operations for at least 12 months after issuance of these consolidated financial statements. Management expects that we will supplement our cash resources with additional liquidity sources as we continue executing our business plan. These sources may include sales of Bitcoin, potential Bitcoin-collateralized financing arrangements, related-party funding or other investor financing, and other debt or equity financings.

We previously entered into a Master Loan Agreement (the “MLA”) with Payward Interactive, Inc. (the “Lender”) on March 18, 2026, pursuant to which we may, from time to time, borrow fiat currency or digital assets on the terms set forth therein in an aggregate principal amount of up to $25 million for up to a twelve-month term, subject to the execution of one or more individual loan term sheets (the "Facility"). The MLA provides us with an additional source of liquidity to fund our operations and strategic initiatives, primarily the further development and future launch of the tokenized deposit program offering. As of July 31, 2026, the aggregate principal amount outstanding under the MLA is $18 million. The loan is collateralized by 479 Bitcoin which we pledged to the counterparty in an amount of approximately $30.1 million based on the price of Bitcoin as of July 31, 2026.

Non-GAAP Financial Measure

Adjusted EBITDA is a non-GAAP financial measure used by our management to better help evaluate our financial performance and provide more useful information to investors and others in understanding our operating results. This measure removes the effect of certain non-cash items, non-recurring items, unrealized gains or losses or other similar non-cash items that are included in our net loss that otherwise do not contribute directly to management's evaluation of its operating results.

Adjusted EBITDA is defined as net loss excluding interest expense primarily incurred in connection with the historical conversion or extinguishment of our convertible debt obligations, stock-based compensation expense, non-cash changes in the fair value of digital assets, income taxes, and any other items that management has determined are not reflective of our operating performance because the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations. Adjusted EBITDA should be viewed independently of our reported GAAP net loss as this metric is meant to be considered in addition to, not as a substitute for or in isolation from, our net loss prepared in accordance with GAAP.

The following table reconciles Adjusted EBITDA to net loss, the most closely comparable GAAP financial measure, for the three and six months ended June 30, 2026 and the comparable prior-year period:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net Loss	$ (20,788,574)	$ (1,528,601)	$ (46,343,343)	$ (5,107,637)
Plus: Change in fair value of digital assets	9,705,974	—	29,710,439	—
Plus: Stock-based compensation	7,286,874	176,000	11,212,099	593,681
Subtract: Income tax benefit	(5,235,692)	—	(11,975,617)	—
Plus: Provision for credit losses	354,446	—	2,531,270	—
Plus: Interest expense	219,583	275,665	233,750	1,649,710
Adjusted EBITDA	$ (8,457,389)	$ (1,076,936)	$ (14,631,402)	$ (2,864,246)

Operating Activities

Net cash used in operating activities during the six months ended June 30, 2026 was $15,225,406, which was primarily attributable to the net loss for the six months ended June 30, 2026 of $46,343,343, adjusted for non-cash expenses of $29,339,651. Non-cash expenses during the six months ended June 30, 2026 were primarily comprised of stock-based compensation expense of $11,212,099, the unrealized loss related to the change in the fair value of digital assets of $29,710,439, partially offset by net gains on derivatives of $2,228,110, and the deferred income tax benefit of $11,975,617.

The net operating cash outflows primarily reflect operating expenses incurred with the Company’s strategic transition to development of the tokenized deposit program offering following the August 2025 Goldeneye capital investment.

Investing Activities

Net cash used in investing activities during the six months ended June 30, 2026 was $225,000, reflecting the secured financing disbursed in connection with the divestiture of the sensor technology business completed on March 27, 2026. For further details, see the section entitled "Divestiture Transaction" below.

Financing Activities

Net cash provided by financing activities during the six months ended June 30, 2026 was $15,000,330, which was primarily attributable to proceeds from loan draws under the MLA collateralized by a portion of our Bitcoin holdings. For additional information on the impact of the private placement transaction completed on August 6, 2025 on the Company’s liquidity position, see "Liquidity and Capital Resources."

Capital Requirements and Future Liquidity

We expect to continue incurring operating losses as we fund the further development of our tokenized deposit program offering. Our ability to sustain operations and execute our strategy depends on our capacity to raise additional capital through equity or debt financings, monetize Bitcoin holdings, including through potential sales, or obtain other sources of liquidity, including potential Bitcoin-collateralized financing arrangements, or related-party or other investor financing.

Future capital needs will depend on, among other things:

- potential licensing or technology-development expenditures,
- regulatory and compliance costs associated with financial technology activities, and
- any acquisitions or strategic investments.

Based on our current projections, management believes we have adequate resources to meet our obligations for the next twelve months. As we continue to execute our business strategy, management may supplement cash on hand with additional liquidity sources, which could include digital asset sales, financing arrangements, or other debt or equity financings. Continuation of operations beyond that period will depend on market conditions for additional capital and the financial performance of our tokenized deposit program offering.

Contractual Obligations and Commitments

Our contractual cash obligations as of June 30, 2026 are summarized in the table below:

Contractual Cash Obligations	Total	Less Than 1 Year	1-3 Years
Loan payable [1]	$ 16,296,250	$ 16,296,250	$ —
Operating leases	207,441	51,206	156,235
	$ 16,503,691	$ 16,347,456	$ 156,235

[1] On March 20, 2026, we entered into a term sheet for a one year fixed-term loan of $5.0 million bearing interest at a rate of 8.5% per annum under the MLA maturing on March 18, 2027. On April 27, 2026, we drew the Second Draw under the MLA. The Second Draw increases the aggregate principal amount outstanding under the MLA to $10.0 million and bears interest at a rate of 8.5% per annum maturing on April 27, 2027. On June 1, 2026, we drew the Third Draw under the MLA. The Third Draw increases the aggregate principal amount outstanding under the MLA to $15.0 million and bears interest at a rate of 8.5% per annum maturing on June 1, 2027. The obligations under the MLA are prepayable at our option at any time after three months from the date of the initial loan draw without penalty.

Divestiture Transaction

On March 27, 2026 (the "Closing Date"), we completed the divestiture of our legacy non-invasive sensor technology business pursuant to a Stock Purchase Agreement entered into by and among the Company, its wholly-owned subsidiary, Particle, Inc., a Nevada corporation ("Particle"), Particle Acquisition Corporation, a Nevada corporation (the "Buyer"), and our former Chairman, President and CEO, Ronald P. Erickson, an individual and principal officer of the Buyer. Effective as of the Closing Date of the divestiture of the legacy sensor business, Mr. Erickson concluded his service as a member of the Board of Directors and as President of the Science Division.

Off-Balance Sheet Arrangements

As of June 30, 2026, the Company had an outstanding commitment to provide secured financing of up to $450,000, of which $225,000 remained unfunded. The loan to the borrower is not an unconditionally cancelable instrument, and as of June 30, 2026, the Company had recorded a liability for expected credit losses of $180,000 on the unfunded commitment. The estimate of expected credit losses for off-balance sheet commitments considers the likelihood that funding will occur, expected utilization rates, borrower credit quality, collateral values, and current and forecasted economic conditions.

Critical Accounting Policies Involving Significant Estimates

The following discussion relates to critical accounting policies for our company which involve significant estimates. The preparation of financial statements in conformity with United States generally accepted accounting principles, or GAAP, requires our management to make assumptions, estimates and judgments that affect the amounts reported, including the notes thereto, and related disclosures of commitments and contingencies, if any. We have identified certain accounting policies that are significant to the preparation of our financial statements. These accounting policies are important for an understanding of our financial condition and results of operation.

Critical accounting policies are those that are most important to the portrayal of our financial condition and results of operations and require management's difficult, subjective, or complex judgment, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Certain accounting estimates are particularly sensitive because of their significance to financial statements and because of the possibility that future events affecting the estimate may differ significantly from management's current judgments.

We believe the following critical accounting policies involve the most significant estimates and judgments used in the preparation of our financial statements:

Valuation of Digital Assets

We hold Bitcoin as the principal component of our Consolidated Balance Sheets. Digital assets such as Bitcoin are initially recorded at cost and subsequently measured at fair value, with changes in fair value recognized in the line item in the Consolidated Statements of Operations, *change in fair value of digital assets*.

Because active quoted prices exist only on certain trading platforms, we use observable Level 1 inputs when available and Level 2 inputs (such as composite or volume-weighted prices) when market liquidity or trading restrictions make Level 1 data less representative. The determination of fair value requires judgment, particularly during periods of volatility or when exchanges experience constrained trading volumes.

The large majority of our Bitcoin holdings are custodied by third-party institutional custodians under multi-signature cold-storage arrangements designed to mitigate security risk.

Digital assets - receivable, net

When we pledge collateral to a third-party entity, we first evaluate whether to derecognize such digital assets based on an evaluation of relevant control and asset derecognition considerations. If we conclude derecognition is appropriate, we derecognize the digital asset collateral that we no longer control and recognize a right to receive back in the future such pledged digital assets.

In accordance with ASU 2023-08, digital asset receivable is recorded at the fair value of the underlying digital assets. Throughout the period that the digital asset receivable is outstanding, the receivable will be measured at fair value of the underlying loaned digital asset with changes recorded in changes in fair value of digital assets in current period earnings.

Allowance for Credit Losses

We apply the current expected credit loss ("CECL") model under ASC 326, *Financial Instruments — Credit Losses,* to estimate expected credit losses on financial assets measured at amortized cost and certain off-balance sheet credit exposures. This standard requires us to recognize lifetime expected credit losses upon origination of a financial asset or at the time an off-balance sheet commitment is made, rather than when losses are probable, and to incorporate forward-looking information into the estimate. The CECL model represents a critical accounting policy because it requires significant management judgment in the selection of inputs, assumptions, and methodologies.

Digital asset receivable . We consider and account for counterparty credit risk using the principles in Topic 326 – Financial Instruments - Credit Losses ("Topic 326") to measure any credit impairment. The digital asset receivable is presented net of any allowance for credit losses if deemed material. We utilize the probability of default ("PD") loss given default ("LGD") approach to estimating the allowance for credit loss ("ACL") at origination and subsequent reporting periods. In order to apply the PD LGD approach, management considers the lifetime of the digital asset receivable, the reasonable and supportable forecast period, and the PD LGD. As of June 30, 2026, we recorded an allowance for credit loss of $2.2 million as an offset to the digital asset receivable balance in our Consolidated Balance Sheets, based on management's estimate of expected credit losses.

Off-Balance Sheet Commitments. We are a party to certain off-balance sheet financing commitments that are subject to credit loss estimation under ASC 326. The ACL is estimated using a loss given default / expected exposure methodology that incorporates management's assessment of expected draw timing, obligor credit quality, collateral recovery values, and current and forecasted economic conditions. As of June 30, 2026, we recorded an allowance for expected credit losses of $180,000 on the unfunded commitment. The estimate of expected credit losses for off-balance sheet commitments considers the likelihood that funding will occur, expected utilization rates, borrower credit quality, collateral values, and current and forecasted economic conditions.

Accounting for Derivatives & Trading Activities

As part of our Bitcoin yield generation strategy trading activities, we enter into option derivative contracts on our Bitcoin holdings. We enter into short-term arrangements that result in obtaining the right to receive or obligation to deliver a fixed amount of Bitcoin crypto assets in the future. Derivatives are instruments that derive their value from changes in an underlying reference outside of our control. Derivatives may be traded on an exchange (exchange-traded) or they may be privately negotiated contracts, which are usually referred to as over the counter ("OTC") derivatives. We account for these derivatives in accordance with ASC 815, *Derivatives and Hedging.*

Stock-Based Compensation

Estimating the fair value of stock-based awards requires significant judgment, including assumptions regarding expected volatility, risk-free interest rates and expected term. Changes in these inputs may materially affect compensation expense. See Note 11 — Equity Incentive Plans for additional information regarding our stock-based compensation accounting. We account for stock-based awards under ASC 718, *Compensation – Stock Compensation*. The fair value of stock options and warrants is estimated using the Black-Scholes-Merton option-pricing model, which requires assumptions regarding expected volatility, risk-free interest rates, expected term, and dividend yield. For restricted stock awards, fair value is based on the closing market price of our common stock on the grant date.

We recognized incremental stock-based compensation expense of $964,930 during the six months ended June 30, 2026 related to the repricing of 82,000,000 stock options from an exercise price of $1.10 per share to $0.37 per share during the six months ended June 30, 2026, in accordance with ASC 718.

Because volatility and expected-term assumptions involve significant judgment, changes in these inputs could materially affect compensation expense recognized under the Amended and Restated 2021 Equity Incentive Plan (see "Executive Compensation" in Part III, Item 11 of Amendment No. 1 to our Transition Report on Form 10-K for the transition period from October 1, 2025 to December 31, 2025 filed with the SEC on April 27, 2026).

Convertible Instruments and Derivatives

Evaluating embedded conversion and redemption features requires judgment, including volatility estimates and discount-rate assumptions that may result in non-cash gains or losses. All legacy convertible notes and promissory notes were repaid, converted, or otherwise extinguished in connection with the Goldeneye private placement transaction that closed on August 6, 2025. Accordingly, there was no convertible instruments activity during the six months ended June 30, 2026. See Notes 3 and 5 to our financial statements included in Item 1 of this report for additional information on our accounting for convertible instruments and embedded derivatives prior to August 6, 2025. When we historically issued convertible debt or equity instruments that may have contained embedded conversion or redemption features, we evaluated whether those features required bifurcation and separate accounting as derivatives under ASC 815. Determining the fair value of embedded derivatives involves the use of valuation models incorporating market-based assumptions, such as the volatility of our stock price, expected term, and discount rates. Future volatility or interest rate changes could have resulted in material non-cash gains or losses each period.

Going Concern

In accordance with ASC 205-40, management evaluates the Company's ability to continue as a going concern for a period of one year after the date the financial statements are issued. Management's assessment considered the Company's projected cash requirement during the evaluation period and available sources of liquidity, including cash and cash equivalents, digital assets available for monetization or use as collateral, available borrowing capacity under its Bitcoin-collateralized Master Loan Agreement, anticipated cash generated from the Company's Bitcoin treasury strategy, and available capacity under its At-The-Market ("ATM") equity program. In August 2026, the Company analyzed its cash requirements and operations through August 2027 and determined that, based upon its available cash and cash equivalents, digital assets, available financing arrangements, projected cash generated from its Bitcoin treasury strategy, and available capacity under its ATM program, management concluded that no substantial doubt about its ability to continue as a going concern. Management will continue to monitor its liquidity position, operating performance, and capital resources as it executes its operating plan. The Company's business model remains dependent on external financing and the value of digital assets, both of which are subject to market volatility and investor sentiment.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable as a smaller reporting company.

ITEM 4. CONTROLS AND PROCEDURES

a) Evaluation of Disclosure Controls and Procedures

We conducted an evaluation, under the supervision and with the participation of our management, of the effectiveness of the design and operation of our disclosure controls and procedures. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (“Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2026, our disclosure controls and procedures are effective at the reasonable assurance level.

b) Inherent Limitations on Internal Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. A control system, no matter how well designed and operated can provide only reasonable, but not absolute, assurance that the control system’s objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their cost.

c) Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2026, other than the continued integration and documentation of controls related to the August 2025 capital investment and our Bitcoin treasury activities, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We continue to evaluate and enhance control activities related to digital-asset custody, valuation, treasury operations, and related financial reporting processes to ensure our internal control over financial reporting remains effective as our operations evolve.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may from time to time become a party to various legal proceedings arising in the ordinary course of our business. We are currently not a party to any pending legal proceeding that is not ordinary routine litigation incidental to our business.

ITEM 1A. RISK FACTORS

RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item unless there is a material change from the risk factors previously disclosed. Other than disclosed below, there have been no material changes in, or additions to, the risk factors previously disclosed under the caption "Risk Factors" in Part I, Item 1A of our Transition Report on Form 10-K for the transition period from October 1, 2025 to December 31, 2025.

A reverse stock split approved by our controlling stockholder may not achieve its intended benefits and may adversely affect the liquidity and market price of our common stock.

On June 15, 2026, Goldeneye, as the holder of a majority of the voting power of our common stock, approved by written consent a reverse stock split of our outstanding common stock at a ratio ranging from 1-for-2 to 1-for-5, which our Board of Directors had approved and recommended on June 12, 2026. Because Goldeneye holds a majority of our voting power, stockholder approval of the reverse stock split was obtained without the vote of any other stockholder.

The exact ratio and timing of the reverse stock split will be determined by the Company's discretion and may be effected, if at all, within twelve months following June 15, 2026, and it will not become effective until the requirements of Rule 14c-2 under the Exchange Act have been satisfied.

There can be no assurance that the reverse stock split, if effected, will increase or maintain the market price of our common stock, improve the marketability or liquidity of our common stock, or facilitate future capital-raising efforts.

Because the reverse stock split will not reduce the number of authorized shares of our common stock, the resulting relative increase in authorized but unissued shares could be used for future issuances that dilute existing stockholders.

Our ability to execute our business strategy depends on attracting, retaining, and effectively managing a geographically distributed workforce.

Our ability to execute our business strategy, including the development and commercialization of our tokenized deposit platform, management of our Bitcoin treasury strategy, cybersecurity, regulatory compliance, and public company reporting obligations, depends on our ability to attract, retain, and effectively manage highly qualified employees and consultants with specialized expertise. Competition for personnel with experience in blockchain technology, digital assets, banking, software development, cybersecurity, finance, accounting, legal, and regulatory compliance is intense, and there can be no assurance that we will be able to attract or retain the talent necessary to support our growth.

Our workforce includes employees and consultants working remotely located across multiple U.S. states and international jurisdictions. As a result, we are subject to diverse and evolving employment, payroll, tax, labor, immigration, privacy, and other regulatory requirements. Changes in these laws, or our failure to comply with them, could increase our operating costs, result in penalties or litigation, or disrupt our operations.

In addition, managing a geographically distributed workforce presents operational challenges, including maintaining effective collaboration, ensuring cybersecurity, preserving institutional knowledge, and maintaining a consistent corporate culture. The loss of key personnel, our inability to hire qualified replacements on a timely basis, or our failure to effectively manage our workforce could delay product development, impair execution of our business strategy, and materially adversely affect our business, financial condition, results of operations, and prospects.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

During the three months ended June 30, 2026, there were no unregistered sales of equity securities.

Use of Proceeds

Not applicable.

Issuer Purchases of Equity Securities

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

None

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2026, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

The exhibits required to be filed herewith by Item 601 of Regulation S-K, as described in the following index of exhibits, are attached hereto unless otherwise indicated as being incorporated by reference, as follows:

(a) Exhibits

Exhibit No.	Description
3.1	Restated Articles of Incorporation, dated August 11, 2023 (incorporated by reference to the Company's Current Report on Form 8-K, filed August 14, 2023).
3.2	Certificate of Amendment to Articles of Incorporation, dated July 31, 2025 (incorporated by reference to the Company's Current Report on Form 8-K, filed August 1, 2025).
3.3	Certificate of Amendment of Articles of Incorporation, dated August 6, 2025 (incorporated by reference to the Company's Current Report on Form 8-K, filed August 7, 2025).
3.4	Amended and Restated Series C Certificate of Designation, dated August 11, 2023 (incorporated by reference to the Company's Current Report on Form 8-K filed August 14, 2023).
3.5	Third Amended and Restated Series D Certificate of Designation, dated August 11, 2023 (incorporated by reference to the Company's Current Report on Form 8-K filed August 14, 2023).
3.6	Series D Certificate of Correction of Know Labs, Inc., dated August 11, 2023 (incorporated by reference to the Company's Current Report on Form 8-K filed August 14, 2023).
3.7	Series C Certificate of Correction of Know Labs, Inc., dated August 11, 2023 (incorporated by reference to the Company's Current Report on Form 8-K filed August 14, 2023).
3.8	Certificate of Withdrawal of Series F Preferred Stock, dated August 10, 2023 (incorporated by reference to the Company's Current Report on Form 8-K filed August 14, 2023).
3.9	Certificate of Designation of Series F Preferred Stock (incorporated by reference to the Company's Current Report on Form 8-K, filed August 3, 2018).
3.10	Certificate of Amendment to Articles of Incorporation, dated October 29, 2024 (incorporated by reference to the Company's Current Report on Form 8-K, filed October 30, 2024).
3.11	Certificate, Amendment or Withdrawal of Designation, relating to the Series C Preferred Stock, filed with the Secretary of State of Nevada on December 11, 2025 (incorporated by reference to the Company's Form 8-K, filed December 17, 2025).
3.12	Certificate, Amendment or Withdrawal of Designation, relating to the Series D Preferred Stock, filed with the Secretary of State of Nevada on December 11, 2025 (incorporated by reference to the Company's Form 8-K, filed December 17, 2025).
3.13	Certificate, Amendment or Withdrawal of Designation, relating to the Series H Preferred Stock, filed with the Secretary of State of Nevada on December 11, 2025 (incorporated by reference to the Company's Form 8-K, filed December 17, 2025).
3.14	Second Amended and Restated Bylaws, dated October 15, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, filed December 7, 2021).
3.15	Amendment to the Second Amended and Restated Bylaws, dated December 15, 2025 (incorporated by reference to the Company's Annual Report on Form 10-K filed on December 19, 2025).
10.1#	Stock Purchase Agreement, dated March 27, 2026, by and among USBC, Inc., Particle, Inc., Particle Acquisition Corporation, and Ron Erickson (incorporated by reference to the Company's Current Report on Form 8-K, filed April 2, 2026).
10.2†	Separation and General Release Agreement, dated April 9, 2026, by and between the Company and Ronald Erickson. (incorporated by reference to the Company's Transition Report on Form 10-K/A, filed April 27, 2026).
10.3#	Prime Broker Agreement (including Custody Terms), dated May 29, 2025, by and among USBC, Inc. (formerly Know Labs, Inc.), Coinbase, Inc., Coinbase Custody Trust Company, LLC and Coinbase Credit, Inc. (incorporated by reference to the Company's Registration Statement on Form S-1, filed July 13, 2026).
10.4*#	Custodial Services Agreement, dated May 6, 2026, by and between USBC, Inc. and BitGo Bank & Trust, National Association.

10.5#	Prime Broker Agreement (including Trading and Custody Terms), dated February 20, 2026, by and among USBC, Inc. and the Payward entities. (incorporated by reference to the Company's Registration Statement on Form S-1, filed July 13, 2026).
31.1*	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because iXBRL tags are embedded within the Inline XBRL document).
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	The Cover Page Interactive Data File, formatted in Inline XBRL (included within the Exhibit 101 attachments)

* Filed herewith
** Furnished herewith
† Executive compensation plan or arrangement
# Portions of this exhibit have been omitted pursuant to Rule 601(b)(10) of Regulation S-K. The omitted information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 7, 2026		**USBC, INC.**
	By:	/s/ Robert Gregory Kidd
		Name: Robert Gregory Kidd
		Chief Executive Officer
		(Principal Executive Officer)
Date: August 7, 2026	By:	/s/ Kitty Payne
		Name: Kitty Payne
		Chief Financial Officer
		(Principal Financial and Accounting Officer)

EXHIBIT 10.4

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.
[***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

BITGO

CUSTODIAL SERVICES AGREEMENT

This BitGo Custodial Services Agreement (this "**Agreement**") is made as of the Effective Date by and between:

USBC, Inc.	("CLIENT")
a Nevada, USA	Corporation

and Custodian. This Agreement governs Client's use of the Services (as defined below) provided or made available by Custodian to Client.

Definitions. Capitalized terms not defined elsewhere in this Agreement shall have the meaning set forth below:

a) "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with such Person. "Control" means the direct or indirect ownership of more than 50% of the voting securities or voting interests of a Person, or the possession of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of equity interests, or by contract. A Person will be deemed an Affiliate only for so long as such control exists.

b) "**Agreement**" means this BitGo Custodial Services Agreement, as it may be amended from time to time, and includes all schedules and exhibits to this BitGo Custodial Services Agreement, as they may be amended from time to time.

c) "**Applicable Law**" means any applicable statute, rule, regulation, regulatory guideline, order, law, ordinance, or code; the common law and laws of equity; any binding court order, judgment, or decree; any applicable industry code, rule, guideline, policy, or standard enforceable by law (including as a result of participation in a self-regulatory organization); and any official interpretations of any of the foregoing.

d) “**Assets**” means, as applicable, Digital Assets and/or Fiat Currency.

e) “**Authorized Persons**” means any person authorized by Client or a person reasonably believed by Custodian to be authorized by Client to act on behalf of Client (e.g., viewer, admin, enterprise owner, viewer with additional video rights, etc.).

f) “**Bank**” means either (a) a U.S. banking institution insured by the Federal Deposit Insurance Corporation (FDIC) or (b) an organization that is organized under the laws of a foreign country, or a territory of the United States that is recognized as a bank by the bank supervisory or monetary authority of the country of its organization or the country in which its principal banking operations are located.

g) “**Client Security Codes**” means IDs, credentials, passwords, login information, hints, personal identification numbers, non-custodial wallet keys (other than Client Keys), yubikeys, 2-factor authentication devices or backups, or any other codes that Client uses to access the Services.

h) “**Company Site**” means https://www.bitgo.com/.

i) “**Custodian**” means BitGo Bank & Trust, National Association, a national banking association chartered under the laws of the United States and authorized by the Office of the Comptroller of the Currency to exercise custodial powers, acting as custodian of Client’s Assets on Client’s behalf.

j) “**Digital Assets**” means any digital unit of value, token, coin, cryptocurrency, virtual currency, non-fungible token (NFT), or other cryptographic asset that is issued, recorded, represented, or transferred using distributed ledger or blockchain technology, whether centralized, decentralized, permissioned, or permissionless. Digital Assets include (a) native protocol tokens, (b) tokens issued on existing networks or sidechains, (c) digital assets designed to maintain a stable value relative to fiat currency through reserve backing, (d) governance or utility tokens, (e) wrapped or derivative tokens, and (f) any rights to acquire or receive the foregoing. For clarity, Digital Assets do not include traditional book-entry securities or deposit account balances that are not recorded or transferred using distributed ledger technology, except to the extent such instruments are tokenized and recorded as described above.

k) “**Effective Date**” means the last signature below unless otherwise specified in this Agreement.

l) “**Fee Schedule**” means the description of fees set forth in Schedule A to this Agreement.

m) “**Fiat Currency**” means certain supported fiat currencies, such as U.S. Dollars.

n) “**Instructions**” means instructions given by Client or Client’s Authorized Persons.

o) “**Losses**” means, collectively, liabilities, damages, losses, costs, and expenses, including reasonable attorneys’ fees and costs.

p) “**Person**” means any natural person, corporation, partnership, limited liability company, trust, unincorporated organization, association, joint venture, governmental authority or agency, or any other legal or commercial entity or body.

q) “**Representatives**” means, collectively, officers, directors, employees, and agents.

r) “**Services**” means, collectively, all the services that Client receives from Custodian and its Affiliates, including, Custodial Services, Wallet Services, and Settlement Services, as applicable.

s) “**UI**” means the web user interface available to Client through the Company Site that allows Client to access certain Services.

1. SERVICES.

1.1. **Authorization**. Client authorizes, approves, and directs Custodian to establish and maintain one or more custody accounts on its books (each a “**Custodial Account**”), pursuant to the terms of this Agreement, for the receipt, safekeeping, and maintenance of Client’s Assets (“**Custodial Services**”).

1.2. **Custody Transactions**. The Custodial Services allow Client to deposit Assets to Client’s Custodial Account and to withdraw Assets from Client’s Custodial Account to an external location, in each case, pursuant to Instructions provided through the UI (each of such transactions is a “**Custody Transaction**”) and consistent with the provisions set forth in Section 2. Custodian reserves the right to refuse to process or to cancel any pending Custody Transaction: (a) as required by Applicable Law; (b) to enforce a transaction, threshold, and condition limits; or (c) if Custodian reasonably believes that the Custody Transaction may violate or facilitate the violation of any Applicable Law. Custodian cannot reverse a Custody Transaction which has been broadcast to a Digital Asset network. To the extent permitted by Applicable Law, Custodian shall promptly notify the Client of the reasons for any such withholding, delay, or refusal.

1.3. **Third-Party Payments**. The Services are not intended to facilitate third-party payments of any kind. As such, Custodian has no control over, or liability for, the delivery, quality, safety, legality, or any other aspect of any goods or services that Client may purchase from a third party (including other users of Services) using Assets in Client’s Custodial Account.

1.4. **Clearing and Settlement Services**. Custodian may offer clearing and settlement services (the “**Settlement Services**”) that facilitate the settlement of transactions of supported Assets between Client and Client’s trade counterparty that also has a Custodial Account with Custodian (“**Settlement Partner**”) pursuant to the operational terms set forth in Section 2.10.

1.5. **Wallet Software and Non-Custodial Wallet Service**.

(a) Custodian also provides Client with the option to create non-custodial wallets that support certain Digital Assets (“**Wallet Services**”). Wallet Services are provided by BitGo, Inc., an Affiliate of

Custodian. Wallet Services provide access to wallets where BitGo, Inc. holds a minority of the keys, and Client is responsible for holding a majority of the keys ("**Client Keys**").

(b) The Wallet Services do not send or receive Digital Assets or Fiat Currency. The Wallet Services enable Client to interface with virtual currency networks to view and transmit information about a public cryptographic key commonly referred to as a blockchain address. As further set forth in Section 3.4, Client assumes all responsibility and liability for securing the Client Keys. Further, Client assumes all responsibility and liability for creation, storage, and maintenance of any backup keys associated with accounts created using the Wallet Services.

(c) Client's use of the Wallet Services and BitGo, Inc.'s application programming interfaces ("**APIs**") and software development kits ("**SDK**") are subject to the terms available at https://www.bitgo.com/legal/services-agreement/ and https://www.bitgo.com/legal/bitgo-terms-of-use/ as may be amended from time to time in Custodian's sole discretion (the "**Online Terms**"). In the event of a conflict between the Online Terms and the terms of this Agreement, the terms of this Agreement shall control.

1.1. **API Access and Developer Application**.

(a) Services, APIs, and SDKs can be accessed through the Company Site. Client may elect to use the APIs either directly or indirectly within an independently developed application controlled by Client ("**Developer Application**") pursuant to the terms set forth in this Section 1.6.

(b) Services provided through the APIs, either alone or with a Developer Application are subject to usage limits and the terms and conditions set forth on the Online Terms. In the event of a conflict between the Online Terms and the terms of this Agreement, the terms of this Agreement shall control. If Client exceeds a usage limit, Custodian may provide assistance to seek to reduce Client's usage so that it conforms to the applicable usage limit. If Client is unable or unwilling to abide by the usage limits, Client will order additional quantities of the applicable Services promptly upon request or pay Custodian's invoices for excess usage.

(c) Subject to Custodian's acceptance of Client as a developer, and subject to Client's performance of its obligations under this Agreement and any other executed agreements with Custodian's Affiliates, Custodian, on behalf of itself and its Affiliates, grants Client a non-assignable, non-transferrable, revocable, personal, and non-exclusive license under applicable intellectual property rights to use and reproduce the SDK for use with the Developer Application. Client agrees that all end customers of any Developer Application will be subject to the same use restrictions that bind Client under this Agreement including the restrictions set forth in Section 3.4. Client is solely responsible and has sole liability for end customers that access or use the Services via the Developer Application and all acts or omissions taken by such end customers will be deemed to have been taken (or not taken) by Client. Client is responsible for the accuracy, quality, and legality of the Developer Application's content and user data. Client will comply with, and ensure that Client's Developer Application and its end customers comply with, all Applicable Law.

1.2. **Fees**. Fees and payment terms associated with the Services are set forth in the Fee Schedule. Notwithstanding the foregoing, Custodian reserves the right to modify any fees at any time upon thirty (30) day's prior notice to Client. During this thirty (30)-day period, Client may terminate this Agreement and cease to use the Services without incurring any additional charge.

1.3. **Taxes**. Client is solely responsible for any taxes applicable to any Custody Transactions, and for withholding, collecting, reporting, or remitting the correct amount of taxes to the appropriate tax authorities. Client's Custody Transactions' history is available by accessing Client's Custodial Account through the UI or by contacting Custodian directly. If Custodian or an Affiliate of Custodian has a legal obligation to pay or collect taxes for which Client is responsible, Client will be invoiced for the relevant amount, including any penalties, fines, or interest thereon, and Client will pay that amount promptly upon the receipt of the applicable invoice(s) unless Client provides the Custodian or relevant Affiliate of Custodian with a valid tax exemption certificate authorized by the appropriate taxing authority.

1.4. **Acknowledgement of Risks**.

(a) General Risks; No Investment, Tax, or Legal Advice; No Brokerage. CLIENT ACKNOWLEDGES THAT CUSTODIAN DOES NOT PROVIDE INVESTMENT, TAX, OR LEGAL ADVICE, NOR DOES CUSTODIAN BROKER TRANSACTIONS ON CLIENT'S BEHALF. CLIENT ACKNOWLEDGES THAT CUSTODIAN HAS NOT PROVIDED AND WILL NOT PROVIDE ANY ADVICE, GUIDANCE, OR RECOMMENDATIONS TO CLIENT WITH REGARD TO THE SUITABILITY OR VALUE OF ANY ASSETS, AND THAT CUSTODIAN HAS NO LIABILITY REGARDING ANY SELECTION OF A DIGITAL ASSET OR OTHERWISE THAT IS HELD BY CLIENT THROUGH THE CUSTODIAL SERVICES OR OTHER SERVICES. ALL CUSTODY TRANSACTIONS ARE EXECUTED BASED ON INSTRUCTIONS, AND CLIENT IS SOLELY RESPONSIBLE FOR DETERMINING WHETHER ANY INVESTMENT, INVESTMENT STRATEGY, OR RELATED TRANSACTION INVOLVING CLIENT'S ASSETS IS APPROPRIATE FOR CLIENT BASED ON CLIENT'S INVESTMENT OBJECTIVES, FINANCIAL CIRCUMSTANCES, AND RISK TOLERANCE. CLIENT SHOULD SEEK LEGAL AND PROFESSIONAL TAX ADVICE REGARDING ANY TRANSACTION.

(b) Material Risk in Investing in Digital Currencies. CLIENT ACKNOWLEDGES THAT: (i) DIGITAL ASSETS ARE NOT LEGAL TENDER, ARE NOT BACKED BY THE U.S. GOVERNMENT, AND ACCOUNTS AND VALUE BALANCES ARE NOT SUBJECT TO FEDERAL DEPOSIT INSURANCE CORPORATION OR SECURITIES INVESTOR PROTECTIONS; (ii) LEGISLATIVE AND REGULATORY CHANGES OR ACTIONS AT THE STATE, FEDERAL, OR

INTERNATIONAL LEVEL MAY ADVERSELY AFFECT THE USE, TRANSFER, EXCHANGE, AND VALUE OF DIGITAL ASSETS; (iii) TRANSACTIONS INVOLVING DIGITAL ASSETS MAY BE IRREVERSIBLE, AND, ACCORDINGLY, LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS MAY NOT BE RECOVERABLE; (iv) SOME DIGITAL ASSETS TRANSACTIONS SHALL BE DEEMED TO BE MADE WHEN RECORDED ON A PUBLIC LEDGER, WHICH IS NOT NECESSARILY THE DATE OR TIME THAT CLIENT INITIATES THE TRANSACTION; (v) THE VALUE OF DIGITAL ASSETS MAY BE DERIVED FROM THE CONTINUED WILLINGNESS OF MARKET PARTICIPANTS TO EXCHANGE FIAT CURRENCY FOR DIGITAL ASSETS, WHICH MAY RESULT IN THE POTENTIAL FOR PERMANENT AND TOTAL LOSS OF VALUE OF A PARTICULAR DIGITAL ASSET SHOULD THE MARKET FOR THAT DIGITAL ASSET DISAPPEAR; (vi) THERE IS NO ASSURANCE THAT A PERSON WHO ACCEPTS DIGITAL ASSETS AS PAYMENT TODAY WILL CONTINUE TO DO SO IN THE FUTURE; (vii) THE VOLATILITY AND UNPREDICTABILITY OF THE PRICE OF DIGITAL ASSETS RELATIVE TO FIAT CURRENCY MAY RESULT IN SIGNIFICANT LOSS OVER A SHORT PERIOD OF TIME; (viii) THE NATURE OF DIGITAL ASSETS MAY LEAD TO AN INCREASED RISK OF FRAUD OR CYBER ATTACK; (ix) THE NATURE OF DIGITAL ASSETS MEANS THAT ANY TECHNOLOGICAL DIFFICULTIES EXPERIENCED BY CUSTODIAN MAY PREVENT THE ACCESS OR USE OF A CLIENT'S OR CLIENT'S CUSTOMERS' DIGITAL ASSETS; AND (x) ANY CUSTODIAL ACCOUNT MAINTAINED BY CUSTODIAN FOR THE BENEFIT OF CLIENT (E.G., A BOND OR TRUST ACCOUNT) MAY NOT BE SUFFICIENT TO COVER ALL LOSSES INCURRED BY CLIENT OR CLIENT'S CUSTOMERS.

(c) Additional Client Acknowledgment. CLIENT ACKNOWLEDGES THAT USING DIGITAL ASSETS AND ANY RELATED NETWORKS AND PROTOCOLS INVOLVES SERIOUS RISKS. CLIENT AGREES THAT IT HAS READ AND ACCEPTS THE RISKS LISTED IN THIS SECTION 1.9, WHICH IS NON-EXHAUSTIVE AND WHICH MAY NOT CAPTURE ALL RISKS ASSOCIATED WITH CLIENT'S ACTIVITY. IT IS CLIENT'S DUTY TO LEARN ABOUT ALL THE RISKS INVOLVED WITH DIGITAL ASSETS AND ANY RELATED PROTOCOLS AND NETWORKS. CUSTODIAN MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE VALUE OF DIGITAL ASSETS OR THE SECURITY OR PERFORMANCE OF ANY RELATED NETWORK OR PROTOCOL.

2. OPERATIONAL TERMS

2.1. **General**. The Digital Assets stored in Client's Custodial Account are segregated from both (a) the property of Custodian, and (b) the Assets of other customers of Custodian, except for Digital Assets specifically moved into shared accounts by Client. Fiat Currency stored on Client's behalf is stored by Custodian in accordance with Section 2.4.

2.2 **Registration; Authorized Persons**.

(a) To create a Custodial Account and use the Services, Client must provide Custodian with all information requested. Based on the information provided (or not provided), Custodian may, in its sole discretion, refuse to allow Client to establish a Custodial Account, limit the number of Custodial Accounts, or decide to subsequently terminate a Custodial Account.

(b) Client will maintain an updated and current list of Authorized Persons at all times on the UI and will immediately notify Custodian of any changes to the list of Authorized Persons by updating the list on the UI. Client shall make available all necessary documentation and identification information, as reasonably requested by Custodian to confirm: (i) the identity of each Authorized Person; (ii) that each Authorized Person is eligible to be deemed an "Authorized Person" as defined in this Agreement; and (iii) the person requesting the changes in the list of Authorized Persons has valid authority to request changes on behalf of Client.

2.3 **Instructions**.

(a) Custodian acts upon Instructions that are received and verified by Custodian in accordance with its procedures and this Agreement.

(b) Instructions will be required for any action requested of Custodian. Instructions shall continue in full force and effect until canceled (if possible) or executed.

(c) Custodian shall be entitled to rely upon any Instructions it receives pursuant to this Agreement.

(d) Custodian may assume that any Instructions received hereunder, if applicable, are not in any way inconsistent with the provisions of organizational documents of Client or of any vote, resolution, or proper authorization, and that Client is authorized to take the actions specified in the Instructions.

(e) Client shall verify all information submitted in Instructions to Custodian. Custodian shall have no duty to inquire into or investigate the validity, accuracy, or content of any Instructions.

(f) If any Instructions are ambiguous, incomplete, or conflicting, Custodian may refuse to execute such Instructions until any ambiguity, incompleteness, or conflict has been resolved. Custodian may refuse to execute Instructions if, in its sole opinion, such Instructions are outside the scope of its duties under this Agreement or are contrary to any Applicable Law.

(g) Client is responsible for any Losses resulting from inaccurate Instructions (e.g., if Client provides the wrong destination address for executing a withdrawal transaction). Custodian does not guarantee the identity of any user, receiver, requestee, or other party to a Custody Transaction. Custodian shall have no liability whatsoever for failure to perform pursuant to such Instructions except in the case of Custodian's gross negligence, fraud, or willful misconduct.

2.4 **Fiat Currency**.

(a) As part of Custodial Services, Client may use Custodian to hold Fiat Currency in a Custodial Account for Client's benefit. Custodian will custody Fiat Currency in one or more of the following "**Customer Omnibus Accounts**", as determined by Custodian: (i) deposit accounts established by Custodian at a Bank; (ii) money market accounts or money market funds established by Custodian at a Bank; or (iii) such other accounts as may be agreed between Client and Custodian in writing from time to time.

(b) Each Customer Omnibus Account shall be titled in the name of Custodian or in the name of Custodian for the benefit of its customers, in either case under the control of Custodian. Each Customer Omnibus Account shall be maintained separately and apart from Custodian's business, operating, and reserve accounts. Each Customer Omnibus Account constitutes a banking relationship between Custodian and the relevant Bank and shall not constitute a custodial relationship between Client and Bank.

(c) Custodian may hold some or any portion of Fiat Currency in accounts that may or may not receive interest or other earnings. Client agrees that the amount of any such interest or earnings attributable to such Fiat Currency in Customer Omnibus Accounts shall be retained by Custodian as additional consideration for its Services, and nothing in this Agreement entitles Client to any portion of such interest or earnings. In addition, Custodian may receive earnings or compensation for a Customer Omnibus Account in the form of services provided at a reduced rate or similar compensation. Any such compensation shall be retained by Custodian, Client is not entitled to any portion of such compensation, and no portion of any such compensation shall be paid to or for Client. Client's rights in the Customer Omnibus Accounts are limited to the specific amount of Fiat Currency Custodian custodies on Client's behalf, as may be limited under this Agreement and by Applicable Law.

(d) Client agrees and understands that wire deposit settlement times and wire withdrawal transfer times are subject to factors outside of Custodian's control, including processes and operations related to Client's account at a depository institution and Custodian's bank account.

2.5 **Digital Asset Deposits and Withdrawals**.

(a) Prior to initiating a deposit of Digital Assets to Custodian, Client must confirm that the specific Digital Asset is found in the then-current list available at https://www.bitgo.com/resources/coins, as may be amended from time to time in Custodian's sole discretion (the "**Supported Digital Assets List**"). By initiating a deposit of Digital Assets to a Custodial Account, Client attests that Client has confirmed that the Digital Asset being transferred is listed in the Supported Digital Assets List.

(b) Client must initiate any withdrawal request through Client's Custodial Account to a Client wallet address. Custodian will process withdrawal requests with or without video verification, such decision to be based on a set of criteria (which may or may not be linked to a dollar value and may or may not be tied to a single transaction or aggregated in a series of transactions during a predetermined amount of time) set by Client on the UI. The time of such a request shall be considered the time of transmission of such notice from Client's Custodial Account. Notwithstanding the foregoing, Custodian reserves the right to request video verification for any transaction or series of transactions for any reason in its sole discretion. The initiation of a twenty-four (24)-hour time period in Section 2.6 to process the withdrawal request shall be considered at the time at which Client completes any required video verification.

(c) As further set forth in Section 3.4, Client must manage and keep secure any and all information or devices associated with deposit and withdrawal procedures, including Client Security Codes. Custodian reserves the right to charge for pass through network fees (e.g., miner fees) to process a Custody Transaction involving Digital Assets on Client's behalf. Custodian will notify Client of the estimated network fee at or before the time Client authorizes such Custodial Transaction.

2.6 **Digital Asset Access Time**.

(a) Custodian requires up to twenty-four (24) hours (excluding weekends and US federal holidays) between any request to withdraw Digital Assets from Client's Custodial Account and submission of Client's withdrawal to the applicable Digital Asset network.

(b) Custodian reserves the right to take additional time beyond the twenty-four (24)-hour period if such time is required to verify security processes for large or suspicious transactions. Any such processes will be executed reasonably and in accordance with Custodian documented policies, which may change from time to time at the sole discretion of Custodian.

(c) Custodian makes no representations or warranties with respect to the availability or accessibility of the Digital Assets. Custodian will make reasonable efforts to ensure that Client initiated deposits are processed in a timely manner, but Custodian makes no representations or warranties regarding the amount of time needed to complete processing of deposits which is dependent upon factors outside of Custodian's control.

2.7 **Supported Digital Assets**. The Services are provided exclusively for Digital Assets specified in the Supported Digital Assets List, as may be updated by Custodian in its sole discretion from time to time. Custodian will use commercially reasonable efforts to provide Client with thirty (30) days' prior written notice before ceasing to support a Digital Asset in Client's Custodial Account, unless Custodian is required to cease such support sooner to comply with Applicable Law or in the event such support creates an urgent security or operational risk in Custodian's reasonable discretion (in which event Custodian will provide as much notice as is practicable under the circumstances). Under no circumstances should Client attempt to use the Services to deposit or store any Digital Assets that are not listed in the Supported Digital Assets List. Depositing, or attempting to deposit, Digital Assets that are not listed in the Supported Digital Assets List will result in such Digital Asset being irretrievable by Client and Custodian. Custodian assumes no obligation or liability whatsoever regarding any attempt to use the Services for Digital Assets that are not listed in the Supported Digital Assets List.

2.8 **Operation of Digital Asset Protocols**.

(a) Client acknowledges that only certain blockchains are supported by Custodian. Any attempt by Client to use the Services to transact with unsupported blockchain and protocols may result in loss of Client's Assets. Custodian shall have no responsibility or liability with respect to any such losses, damages, or claims arising from or related to such attempted transactions.

(b) Custodian does not own or control the underlying software protocols that govern the operation of Digital Assets on the Supported Digital Assets List. By using the Custodial Services, Client acknowledges and agrees that (i) Custodian is not responsible for operation of the underlying protocols and that Custodian makes no guarantee of their functionality, security, or availability; and (ii) the underlying protocols are subject to sudden changes in operating rules (a.k.a. "forks"); and (iii) that such forks may materially affect the value, function, or even the name of the Digital Assets that Client stores in Client's Custodial Account. In the event of a fork, Client agrees that Custodian may temporarily suspend Custodian operations with respect to the affected Digital Assets (with or without advance notice to Client) and that Custodian may, in its sole discretion, decide whether or not to support (or cease supporting) either branch of the forked protocol entirely. Custodian assumes absolutely no liability whatsoever in respect of an unsupported branch of a forked protocol or its determination whether or not to support a forked protocol.

(c) Client agrees that all "airdrops" (free distributions of certain Digital Assets) and forks will be handled by Custodian pursuant to its fork policy (the "**Fork Policy**") (currently available at www.bitgo.com/resources/bitgo-fork-policy). Client acknowledges that Custodian is under no obligation to support any airdrops, side chains, forks, or other derivative, enhanced protocol, token, or coins which interact with a Digital Asset supported by Custodian (collectively, "**Advanced Protocols**") or handle such Advanced Protocols in any manner, except as detailed above and in the Fork Policy. Custodian, at its sole discretion, may update the Fork Policy from time to time or the URL at which it is available, and Client agrees that Client is responsible for reviewing any such updates. Custodian is under no obligation to provide notification to Client of any modification to the Fork Policy. Client shall not use its Custodial Account to attempt to receive, request, send, store, or engage in any other type of transaction involving an Advanced Protocol. Custodian assumes absolutely no liability whatsoever in respect to Advanced Protocols.

2.9 **Account Statements**.

(a) Custodian will provide Client with an electronic account statement every calendar quarter. Each statement will be provided via the UI and notice of its posting will be sent via electronic mail.

(b) Client will have forty-five (45) days to file any written objections or exceptions with Custodian after the posting of a Custodial Account statement online. If Client does not file any objections or exceptions within the forty-five (45)-day period, this shall indicate Client's approval of the statement and will preclude Client from making future objections or exceptions regarding the information contained in the statement. Such approval by Client shall be full acquittal and discharge of Custodian regarding the transactions and information on such statement.

(c) To value Digital Assets held in Client's Custodial Account, the Custodian will electronically obtain USD equivalent prices from digital asset market data with amounts rounded up to the seventh decimal place to the right. Custodian does not guarantee the accuracy or timeliness of prices received and the prices are not to be relied upon for any decisions for Client's Custodial Account.

2.10 **Settlement**.

(a) Client acknowledges that the Settlement Service is an API product complemented by an UI. Clients may utilize the Settlement Services by way of settlement of one-sided requests with counterparty affirmation or one-sided requests with instant settlement; and two-sided requests with reconciliation. Client understands that Assets available for use within the Settlement Services may not include all of Client's Assets held under custody. For the avoidance of doubt, use of the UI is subject to the Online Terms.

(b) The Settlement Services allow Client to submit, through the UI, a request to settle a purchase or sale of Assets with a Settlement Partner. Client authorizes Custodian to accept Client's cryptographic signature submitted through the UI. When a cryptographic signature is received through the UI along with the settlement transaction details, Client is authorizing Custodian to act on the Instruction to settle such transaction.

i. A one-sided request with counterparty affirmation requires Client to submit a request, including its own cryptographic signature on the trade details, via UI calls. Custodian will notify the Settlement Partner and lock funds of both parties while waiting for the Settlement Partner to affirm the request. Custodian will settle the trade immediately upon affirmation and the locked funds will be released.

ii. A one-sided request with instant settlement requires one side of the trade to submit a request, including cryptographic signatures of both parties to the trade via UI calls. Custodian will settle the trade immediately.

iii. A two-sided request with reconciliation requires that both Client and Settlement Partner submit requests via UI calls, with each party providing their own cryptographic signatures. Custodian will reconcile the trades and settle immediately upon successful reconciliation.

iv. In any one-sided or two-sided request, the Settlement Partner must be identified and selected by Client prior to submitting a settlement request. Client may submit a balance inquiry through the UI to verify that Settlement Partner has a sufficient balance of Assets to be transacted before the parties execute a transaction. This balance inquiry function is to be used only for the purpose of executing a trade transaction to ensure the Settlement Partner has sufficient Assets to settle the transaction. Client expressly authorizes and consents to Custodian providing access to such information to Client's Settlement Partner in order to facilitate the settlement.

v. Client and Settlement Partner's Custodial Accounts must have sufficient Assets prior to initiating any settlement request. The full amount of Assets required to fulfill a transaction are locked until such Instruction has been completed. All Instructions are binding on Client and Client's Custodial Account. Custodian does not guarantee that any settlement will be completed by any Settlement Partner. Client may not be able to withdraw an Instruction in the form of an offer (or withdraw its Instruction to accept an offer) prior to completion of a settlement and Custodian shall not be liable for the completion of any Instruction after a cancellation request has been submitted.

vi. Client shall ensure that only an appropriate Authorized Person of its Custodial Account has access to the Client Security Codes.

vii. Client is solely responsible for any decision to enter into a settlement by way of the Settlement Services, including the evaluation of any and all risks related to any such transaction and has not relied on any statement or other representation of Custodian. Custodian is a facilitator and not a counterparty to any settlement; and, as a facilitator, Custodian bears no liability with respect to any transaction and does not assume any clearing risk.

viii. Any notifications that Client may receive regarding the Settlement Services are Client's responsibility to review in a timely manner.

(c) Upon execution of the settlement, the UI provides Client a summary of the terms of the transaction, including: the type of Digital Asset purchased or sold; the delivery time; and the purchase or sale price. Settlement of a transaction is completed in an off-chain trading sub-account known as the "GoAccount" by way of offsetting journal transactions within Custodian's off-chain settlement system. On-chain synchronization occurs at the time the withdrawal from Client's trading account takes place (other than through a subsequent Settlement Services transaction).

(d) Custodian reserves the right to refuse to settle any transaction, or any portion of any transaction, for any reason, at its sole discretion. Custodian bears no responsibility if an Instruction was placed or was active during any time the Settlement Services system is unavailable or encounters an error; or, if any such Instruction triggers certain regulatory controls.

(e) Custodian may charge additional fees for the Settlement Services furnished to Client as may be agreed upon by the parties.

(f) Clearing and settlement transactions are subject to Applicable Laws.

2.11 **Dormant Custodial Accounts; Unclaimed Property**. If any Custodial Account becomes inactive or dormant for the period of time specified under Applicable Law, Client acknowledges and agrees that Custodian may be required to report and remit any remaining Assets in such Custodial Account to the appropriate governmental authority in accordance with Applicable Law relating to unclaimed property or escheatment. Custodian will provide Client with any notice required by Applicable Law prior to such remittance. Client understands that Applicable Law may require, or permit, Custodian to convert or liquidate Digital Assets into Fiat Currency and remit the resulting proceeds to the applicable governmental authority. Custodian will determine the timing and manner of any such conversion or liquidation in its sole discretion, consistent with its legal obligations, and may charge any applicable fees, network cost, and other charges to the Custodial Account or the liquidation proceeds. To the maximum extent permitted by Applicable Law, Client agrees that Custodian has no responsibility or liability for any Losses, unrealized gains, opportunity costs, taxes, withholdings, fees, or other consequences arising from or related to: (a) the conversion or liquidation of Digital Assets, (b) the remittance or delivery of Assets or proceeds to a governmental authority, or (c) Custodian's compliance with any Applicable Law relating to unclaimed property, escheatment, or similar obligations. After remittance, Client's recourse, if any, is solely against the applicable governmental authority.

3. USE OF SERVICES.

1.1 Company Site and Content. Custodian grants Client a limited, nonexclusive, non-transferable, revocable, royalty-free license, subject to the terms of this Agreement, to access and use the Company Site and related content, materials, and information (collectively, the "**Content**") solely for using the Services in accordance with this Agreement. Any other use of the Company Site or Content is expressly prohibited and all other right, title, and interest in the Company Site or Content is exclusively the property of Custodian, its Affiliates and its licensors. Client shall not copy, transmit, distribute, sell, license, reverse engineer, modify, publish, or participate in the transfer or sale of, create derivative works from, or in any other way exploit the Company Site or any of the Content, in whole or in part without Custodian's or its Affiliates' prior written consent. "www.bitgo.com," "BitGo," "BitGo Custody," and all logos related to the Services or displayed on the Company Site are either trademarks or registered marks of Custodian, its Affiliates or its licensors. Client may not copy, imitate, or use them without Custodian's prior written consent in each instance**.**

1.2 Website Accuracy. Although Custodian intends to provide accurate and timely information on the Company Site, the Company Site (including the Content, but excluding any portions thereof that are explicitly described in this Agreement) may not always be entirely accurate, complete, or current and may also include technical inaccuracies or typographical errors. In an effort to continue to provide Client with as complete and accurate information as possible, such information may be changed or updated from time to time without notice, including information regarding Custodian policies, products and services. Accordingly, Client should verify all information before relying on it, and all decisions based on information contained on the Company Site are Client's sole responsibility and Custodian shall have no liability for such decisions. Links to third-party materials (including websites) may be provided as a convenience but are not controlled by Custodian. Custodian is not responsible for any aspect of the information, content, or services contained in any third-party materials or on any third-party sites accessible from or linked to the Company Site.

1.3 Prohibited Use. Custodian may monitor use of the Services and the resulting information may be used, reviewed, retained, and disclosed by Custodian in aggregated and non-identifiable forms for its legitimate business purposes or in accordance with Applicable Law. Client will not, directly or indirectly: (a) use the Services to upload, store or transmit any content that is infringing, libelous, unlawful, tortious, violate privacy rights, or that includes any viruses, software routines, or other code designed to permit unauthorized access, disable, erase, or otherwise harm software, hardware, or data; (b) engage in any activity that interferes with, disrupts, damages, or accesses in an unauthorized manner the Services, servers, networks, data, or other properties of Custodian or of its suppliers or licensors; (c) develop, distribute, or make available a Developer Application in any way in furtherance of criminal, fraudulent, or other unlawful activity; (d) use the Services, for the benefit of anyone other than Client or end customer of any Developer Application; (e) sell, resell, license, sublicense, distribute, rent, or lease any Services, or include any Services in a services bureau or outsourcing offering; (f) circumvents a contractual usage limit; (g) obscure, remove, or destroy any copyright notices, proprietary markings or confidential legends provided with the Services; (h) use the Services to build a competitive product or service; (i) distribute a Developer Application in source code form in a manner that would disclose the source code of the Services; (j) reverse engineer, decrypt, decompile, decode, disassemble, or otherwise attempt to obtain the human readable form of the Services, to the extent such restriction is permitted by Applicable Law; or (k) engage in any of the prohibited practices set forth at https://www.bitgo.com/bitgo-prohibited-uses-and-businesses-terms/, as may be amended by Custodian from time to time in Custodian's sole discretion (collectively, the "**Prohibited Practices**").

1.4 Security; Client Responsibilities.

(a) Client shall maintain adequate security and control of all Client Keys and Client Security Codes. Any loss or compromise of the foregoing information or Client's personal information may result in unauthorized access to Client's Custodial Account by third parties and the loss or theft of Assets. Client shall keep Client's email address and telephone number up to date in Client's profile to receive notices, alerts, and other communications from Custodian. Custodian assumes no responsibility for any loss that

Client may sustain due to compromise of Client Security Codes due to no fault of Custodian or Client's failure to follow or act on any notices or alerts that Custodian may send to Client.

(b) Client will ensure that all Authorized Persons are adequately trained to safely and securely access the Services, including with respect to general security principles regarding Client Keys, Client Security Codes, and Client's personnel.

(c) Client acknowledges that granting permission to a third party or non-permissioned user to take specific actions on Client's behalf does not relieve Client of any of Client's responsibilities under this Agreement and may violate the terms of this Agreement. Client is fully responsible for all activities taken on Client's Custodial Account (including acts or omissions of any third party or non-permissioned user with access to Client's Custodial Account). Further, Client acknowledges and agrees that Client will not hold Custodian responsible for, and will indemnify, defend and hold harmless the Custodian Indemnitees (as defined below) from and against any Losses arising out of or related to any act or omission of any party using Client's Custodial Account (including acts or omissions of any third party or non-permissioned user with access to Client's Custodial Account); provided that such Losses did not result from Custodian's gross negligence, fraud, or willful misconduct.

(d) Custodian shall not bear any liability whatsoever for any damage or interruptions caused by any computer viruses, spyware, scareware, Trojan horses, worms, or other malware that may affect Client's computer or other equipment, or any phishing, spoofing, or other attack, unless such damage or interruption directly resulted from Custodian's gross negligence, fraud, or willful misconduct. Client should also be aware that SMS and email services are vulnerable to spoofing and phishing attacks, and Client should use care in reviewing messages purporting to originate from Custodian. Client should always log into Client's Custodial Account through the UI to review any Custody Transactions or required actions if Client has any uncertainty regarding the authenticity of any communication or notice.

(e) In the event Client believes Client's Custodial Account information has been compromised, Client shall immediately notify Custodian by contacting Custodian at [***] from the email address associated with Client's Custodial Account. Client will provide Custodian with all relevant information Custodian reasonably requests to assess the security of the Assets, Custodial Accounts and wallets.

1.5 Service Providers. Client acknowledges and agrees that the Services may be provided from time to time by, through or with the assistance of Affiliates of, or vendors to, Custodian (collectively, "**Service Providers**").

1.6 Independent Verification. If Client is subject to Rule 206(4)-2 under the Investment Advisers Act of 1940, Custodian shall, upon written request, provide Client's authorized independent public accountant confirmation of, or access to, information sufficient to confirm (a) Client's Digital Assets as of the date of an examination conducted pursuant to Rule 206(4)-2(a)(4), and (b) Client's Digital Assets are held either in a separate account under Client's name or in accounts under Client's name as an agent or trustee for Client's customers.

4. TERM; TERMINATION.

4.1. **Initial Term; Renewal Term**. This Agreement will commence on the Effective Date and will continue for one (1) year, unless earlier terminated in accordance with the terms of this Agreement (the "**Initial Term**"). After the Initial Term, this Agreement will automatically renew for successive one (1)-year periods (each, a "**Renewal Term**"), unless either party notifies the other party of its intention not to renew at least sixty (60) days prior to the expiration of the then-current Term or upon mutual written agreement of the parties. "**Term**" means the Initial Term and any Renewal Terms.

4.2. **Termination for Breach**. Either party may terminate this Agreement if the other party breaches a material term of this Agreement and fails to cure such breach within thirty (30) calendar days following written notice thereof.

4.3. **Suspension, Termination, or Cancellation by Custodian**.

(a) Custodian may suspend or restrict Client's access to the Custodial Services or deactivate, terminate, or cancel Client's Custodial Account if:

i. Custodian reasonably suspects Client of using Client's Custodial Account in connection with a Prohibited Practice;

ii. Custodian is so required by Applicable Law, including a facially valid subpoena, court order, or binding order of a government authority;

iii. Custodian perceives a risk of legal or regulatory non-compliance associated with Client's Custodial Account activity or the provision of the Custodial Account to Client by Custodian (including any risk perceived by Custodian in the review of any materials, documents, information, statements, or related materials provided by Client after execution of this Agreement);

iv. A Service Provider is unable to support Client's use;

v. Client takes any action that Custodian deems as circumventing Custodian's controls, including opening multiple Custodial Accounts, abusing promotions which Custodian may offer from time to time, or otherwise misrepresenting any information set forth in Client's Custodial Account;

vi. If applicable, Client fails to fund its Custodial Account to the "Minimum Custodial Account Balance" as indicated in the Fee Schedule within one hundred and eighty (180) days of Custodial Account opening.

(b) If Custodian suspends or restricts Client's access to the Services or deactivates, terminates or cancels Client's Custodial Account for any reason, Custodian will provide Client with notice of

Custodian's actions via email unless prohibited by Applicable Law. Custodian's decision to take certain actions, including limiting access to, suspending, or closing Client's Custodial Account, may be based on confidential criteria that are essential to Custodian's compliance, risk management, or security protocols. Custodian is under no obligation to disclose the details of any of its internal risk management and security procedures to Client.

(c) If Custodian terminates Client's Custodial Account, this Agreement will automatically terminate on the later of (i) the effective date of such cancellation or (ii) the date on which all of Client's Assets have been withdrawn.

4.1. **Early Termination**. Client may terminate this Agreement before the end of the Term if Client: (a) provides Custodian at least thirty (30) days prior written notice of Client's intent to exercise its termination right under this Section 4.4, (b) pays all outstanding amounts due under this Agreement through the date of termination, and (c) pays a one-time early termination fee equal to the highest monthly fees due, excluding any Onboarding Fee, for any month of Services before such notice multiplied by the number of months remaining in the applicable Initial Term or Renewal Term, including partial months (the "**Early Termination Fee**"). Such termination will not be deemed effective unless and until (i) Client removes all Assets from Custodial Accounts and Wallet Services, and (ii) Custodian receives such Early Termination Fee, which Client understands and acknowledges will not be deemed a penalty, but a figure reasonably calculated to reflect remaining payment due to Custodian in return for Client's term commitment. Client may not cancel the Services before the expiration of the then current Term, except as specified in this Agreement.

4.2. **Effect of Termination**. On termination of this Agreement, Client will: (a) withdraw all Assets associated with Client's Custodial Accounts within ninety (90) days, unless such withdrawal is prohibited by Applicable Law (including applicable sanctions programs or a facially valid subpoena, court order, or binding order of a government authority); (b) pay all fees owed or accrued to Custodian through the date of Client's withdrawal of funds, which may include any applicable Early Termination Fee; and (c) authorize Custodian to cancel or suspend any pending Custody Transactions as of the effective date of termination. The definitions set forth in this Agreement and Sections 1.9, 2.11, 3.1, 3.2, 4.5, 6.1, 7 - 10 as well as any other provision that, in order to give proper effect to its intent, should survive such termination, will survive the termination of this Agreement.

5 **CUSTODIAN OBLIGATIONS**.

5.1 **Insurance**. Custodian will obtain or maintain insurance coverage in such types and amounts as are commercially reasonable for the Custodial Services provided hereunder. Client acknowledges that any insurance to protect the Digital Assets will apply to Custodial Services only (where all keys are held by Custodian) and not Wallet Services for non-custodial accounts (where one or more keys are held by Client or its designee).

5.2 Standard of Care. Subject to the terms of this Agreement, Custodian will exercise a level of skill, care and diligence in the execution of Client's Instructions that a reasonable competent and regulated custodial services provider would exercise under similar circumstances. Notwithstanding the foregoing, Custodian will not be responsible for any loss or damage suffered by Client as a result of Custodian performing its obligations, unless the same results from an act of gross negligence, fraud, or willful misconduct on the part of Custodian. Custodian shall not be responsible for the title, validity, or genuineness of any of the Assets (or any evidence of title thereto) received or delivered by it pursuant to this Agreement.

5.3 Business Continuity Plan. Custodian has established a business continuity plan that will support its ability to conduct business in the event of a significant business disruption (SBD). This plan is reviewed and updated annually, and may be updated more frequently, if deemed necessary by Custodian in its sole discretion. Should Custodian be impacted by an SBD, Custodian aims to minimize business interruption as quickly and efficiently as possible. To receive more information about Custodian's business continuity plan, please send a written request to [***].

5.4 Support and Service Level Agreement. Custodian will use commercially reasonable efforts to: (a) provide reasonable technical support to Client, by email through [***] during Custodian's normal business hours (9:30 AM to 6 PM ET); (b) respond to support requests in a timely manner; (c) resolve such issues by providing updates or workarounds to Client (to the extent reasonably possible and practical), consistent with the severity level of the issues identified in such requests and their impact on Client's business operations; (d) abide by the terms of the Service Level Agreement currently made available at https://www.bitgo.com/resources/bitgo-service-level-agreement (as Service Level Agreement or the URL at which it is made available may be amended from time to time); and (e) make Custodial Accounts available via the internet twenty-four (24) hours a day, seven (7) days a week.

6 **CONFIDENTIALITY, PRIVACY, DATA SECURITY**.

6.1 Confidentiality.

(a) As used in this Agreement, "**Confidential Information**" means any non-public, confidential or proprietary information of a party or its Affiliates ("**Discloser**") including information relating to Discloser's business operations or business relationships, financial information, pricing information, business plans, customer lists, data, records, reports, trade secrets, software, formulas, inventions, techniques, and strategies. Confidential Information includes all documents and other tangible objects containing or representing Confidential Information and all copies or extracts thereof or notes derived therefrom that are in the possession or control of the party receiving Confidential Information ("**Recipient**") and all of the foregoing shall be and remain the property of the Discloser. For clarity, the existence and the terms of this Agreement shall be deemed the Confidential Information of each party.

(b) Recipient will not disclose the Discloser's Confidential Information to any unrelated third party without the prior written consent of the Discloser, except as provided below or to Recipient's officers, directors, agents, employees, consultants, contractors, auditors and professional advisors who need to know the Confidential Information and who are informed of, and who agree to be or are otherwise bound by obligations of confidentiality no less restrictive than, the obligations set forth herein and has policies and procedures reasonably designed to create information barriers with respect to such party's Representatives, Affiliates, consultants, contractors, and professional advisors. Recipient will protect such Confidential Information from unauthorized access, use, and disclosure. Recipient shall not use Discloser's Confidential Information for any purpose other than to perform its obligations or exercise its rights under this Agreement. For the purposes of this Section 6.1, no Affiliate of Custodian shall be considered a third party and Custodian may share Client's Confidential Information with its Affiliates in connection with the Services; provided that Custodian causes each such Affiliate to undertake the obligations in this Section 6.1.

(c) The obligations under Section 6.1(b) shall not apply to any (i) information that is or becomes generally publicly available through no fault of Recipient, (ii) information that Recipient obtains from a third party (other than in connection with this Agreement) that, to Recipient's best knowledge, is not bound by confidentiality obligations prohibiting such disclosure; or (iii) information that is independently developed or acquired by Recipient without the use of or reference to the Discloser's Confidential Information.

(d) Notwithstanding the foregoing, Recipient may disclose the Confidential Information of Discloser to the extent required under Applicable Law; provided, however, Recipient shall first notify Discloser (to the extent legally permissible) and shall afford Discloser a reasonable opportunity to seek a protective order or other confidential treatment.

(e) Upon Discloser's written request, Recipient shall return or destroy all Confidential Information; provided, however, Recipient may retain one copy of Confidential Information (i) if required by Applicable Law, or (ii) pursuant to a bona fide and consistently applied document retention policy; provided, further, that in either case, any Confidential Information so retained shall remain subject to the confidentiality obligations of this Agreement.

6.2 Privacy. Client acknowledges that Client has read the BitGo Privacy Notice, available at https://www.bitgo.com/privacy, which identifies how BitGo collects, uses, and discloses, on a limited basis, Client's information.

6.3 Security. Custodian has implemented and will maintain a reasonable information security program that includes policies and procedures that are reasonably designed to safeguard Custodian's electronic systems and Client's Confidential Information from, among other things, unauthorized disclosure, access, or misuse, including, by Custodian and its Affiliates. In the event of a data security incident, Custodian will provide all notices required under Applicable Law.

7 **REPRESENTATIONS, WARRANTIES, AND COVENANTS**.

7.1 **By Client**. Client represents, warrants, and covenants to Custodian that:

(a) Client fully complies with all Applicable Law in each jurisdiction in which Client operates, including applicable securities and commodities laws and regulations, efforts to fight the funding of terrorism and money laundering, sanctions regimes, licensing requirements, and all related regulations and requirements.

(b) To the extent Client receives Assets from third-parties, the receipt of said Assets is based on lawful activity. Client shall have conducted and satisfied all due diligence procedures required by Applicable Law with respect to such third parties prior to placing with Custodian any Assets associated with such third party.

(c) Client will not use any Services for any illegal activity, including illegal gambling, money laundering, fraud, blackmail, extortion, ransoming data, the financing of terrorism, other violent activities, or any prohibited market practices, including any Prohibited Practices.

(d) Client is currently and will remain at all times in good standing with all relevant government agencies, departments, and regulatory or supervisory bodies in all relevant jurisdictions in which Client does business, and Client will immediately notify Custodian if Client ceases to be in good standing with any applicable regulatory authority;

(e) Client will promptly provide such information as Custodian may reasonably request from time to time regarding: (i) Client's policies, procedures, and activities which relate to the Services in any manner, as determined by Custodian in its sole and absolute discretion; and (ii) any transaction which involves the use of the Services, to the extent reasonably necessary to comply with Applicable Law, or the guidance or direction of, or request from any regulatory authority or financial institution, provided that such information may be redacted to remove confidential commercial information not relevant to the requirements of this Agreement;

(f) Client either owns or possesses lawful authorization to transact with all Assets involved in the Custody Transactions;

(g) There is no claim pending, or to Client's best knowledge, threatened, and no encumbrance or other lien, in each case, that may adversely affect any delivery of Assets made in accordance with this Agreement;

(h) It owns the Assets in Client's Custodial Account free and clear of all liens, claims, security interests, and encumbrances and it has all rights, title, and interest in and to the Assets in Client's Custodial Account as necessary for Custodian to perform its obligations under this Agreement;

(i) Client has the full capacity and authority to enter into and be bound by this Agreement and the person executing or otherwise accepting this Agreement for Client has full legal capacity and authorization to do so;

(j) All information provided by Client to Custodian in the course of negotiating this Agreement and the onboarding of Client is complete, true, and accurate in all material respects, including with respect to the ownership of Client and Client's primary address; no material information has been excluded; and no other Person has an ownership interest in Client's Assets except for those disclosed in connection with such onboarding;

(k) Client is not owned in part or in whole, nor controlled by any Person that is, nor is it conducting any activities on behalf of, any Person that is (i) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, or any other Governmental Authority with jurisdiction over Custodian or its Affiliates; (ii) identified on the Denied Persons, Entity, or Unverified Lists of the U.S. Department of Commerce's Bureau of Industry and Security; or (iii) located, organized or resident in a country or territory that is, or whose government is, the subject of U.S. economic sanctions, including the Crimean, Donetsk, and Luhansk regions of Ukraine, Cuba, Iran, North Korea, or Syria.

(l) Client will promptly provide Custodian cooperation and assistance regarding any inquiry or investigation made or conducted by the U.S. Office of the Comptroller of the Currency; and

(m) Client will promptly notify Custodian of any changes in jurisdiction or material ownership of Client.

7.2 **By Custodian**. Custodian represents, warrants, and covenants to Client that:

(a) Custodian is a national banking association and trust company duly organized and validly existing under the laws of the United States, and is chartered and supervised by the Office of the Comptroller of the Currency; and

(b) Custodian has the full capacity and authority to enter into and be bound by this Agreement and the person executing or otherwise accepting this Agreement for Custodian has full legal capacity and authorization to do so.

(c) **DISCLAIMER**. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT ANY REPRESENTATION

OR WARRANTY, WHETHER EXPRESS, IMPLIED, OR STATUTORY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, CUSTODIAN SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT. CUSTODIAN DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES THAT ACCESS TO THE COMPANY SITE, ANY PART OF THE SERVICES, OR ANY OF THE MATERIALS CONTAINED IN ANY OF THE FOREGOING WILL BE CONTINUOUS, UNINTERRUPTED, OR TIMELY; BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM, OR OTHER SERVICES; OR BE SECURE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR-FREE.

7.3 **Notification**. Without limitation of either party's rights or remedies, each party shall immediately notify the other party if, at any time after the Effective Date, any of the representations, warranties, or covenants made by it under this Agreement fail to be true and correct as if made at and as of such time. Such notice shall describe in reasonable detail the representation, warranty, or covenant affected, the circumstances giving rise to such failure and the steps the notifying party has taken or proposes to take to rectify such failure.

8 **INDEMNIFICATION**.

8.1 **Indemnity**. Client will defend, indemnify, and hold harmless Custodian, its Affiliates and Service Providers, and each of its or their respective Representatives, (each, a "**Custodian Indemnitee**"), from and against any Losses resulting from any third-party claim, demand, action or proceeding (a "**Claim**") arising out of or related to Client's (i) use of Services; (ii) breach of this Agreement, or (iii) violation of any Applicable Law in connection with its use of Services.

8.2 **Indemnification Process**.

(a) Custodian will (i) provide Client with prompt notice of any indemnifiable Claim under Section 8.1 (provided that the failure to provide prompt notice shall only relieve Client of its obligation to the extent it is materially prejudiced by such failure and can demonstrate such prejudice); (ii) permit Client to assume and control the defense of such action upon Client's written notice to Custodian of Client's election to do so, with counsel acceptable to Custodian in its discretion; and (iii) upon Client's written request, and at no expense to Custodian, provide to Client all available information and assistance reasonably necessary for Client to defend such Claim. Custodian shall be permitted to participate in the defense and settlement of any Claim with counsel of Custodian's choice at Custodian's expense (unless such retention is necessary because of Client's failure to assume the defense of such Claim, in which event Client shall be responsible for all such fees and costs). Client will not enter into any settlement or compromise of any such Claim, which settlement or compromise would result in any liability to any Custodian Indemnitee or constitute any admission of or stipulation to any guilt, fault, or wrongdoing, without Custodian's prior written consent.

(b) Client acknowledges and agrees that any Losses imposed on Custodian (whether in the form of fines, penalties, or otherwise) as a result of a violation by Client of any Applicable Law, may at Custodian's discretion, be passed on to Client and Client acknowledges and represents that Client will be responsible for payment to Custodian of all such Losses.

9 **LIMITATIONS OF LIABILITY**.

9.1 NO CONSEQUENTIAL DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW AND SUBJECT TO THE EXCEPTIONS PROVIDED IN SECTION 9.3 BELOW, IN NO EVENT SHALL CUSTODIAN, ITS AFFILIATES AND SERVICE PROVIDERS, OR ANY OF THEIR RESPECTIVE REPRESENTATIVES, BE LIABLE FOR ANY LOST PROFITS OR ANY SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, OR CONSEQUENTIAL DAMAGES, WHETHER BASED IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH AUTHORIZED OR UNAUTHORIZED USE OF THE COMPANY SITE OR THE SERVICES, OR THIS AGREEMENT, EVEN IF CUSTODIAN HAS BEEN ADVISED OF OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

9.2 LIMITATION ON DIRECT DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW AND SUBJECT TO THE EXCEPTIONS PROVIDED IN SECTION 9.3 BELOW, IN NO EVENT SHALL THE AGGREGATE LIABILITY OF CUSTODIAN, ITS AFFILIATES AND SERVICE PROVIDERS, OR ANY OF THEIR RESPECTIVE REPRESENTATIVES, EXCEED THE FEES PAID OR PAYABLE TO CUSTODIAN UNDER THIS AGREEMENT DURING THE THREE (3)-MONTH PERIOD IMMEDIATELY PRECEDING THE FIRST INCIDENT GIVING RISE TO SUCH LIABILITY.

9.3 EXCEPTIONS TO EXCLUSIONS AND LIMITATIONS OF LIABILITY. THE EXCLUSIONS AND LIMITATIONS OF LIABILITY IN SECTION 9.1 AND SECTION 9.2 WILL NOT APPLY TO CUSTODIAN'S FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE. CUSTODIAN'S LIABILITY FOR GROSS NEGLIGENCE SHALL BE LIMITED TO THE MARKET VALUE OF THE AFFECTED DIGITAL ASSETS OR FIAT CURRENCY AT THE TIME THE CLAIM ARISES.

10 **MISCELLANEOUS**.

10.1 Notice. All notices under this Agreement shall be given in writing, in the English language, and shall be deemed given when personally delivered, when sent by email, or three (3) days after being sent by prepaid certified mail or internationally recognized overnight courier to the addresses set forth in the signature blocks below (or such other address as may be specified by party following written notice given in accordance with this Section 10.1).

10.2 Publicity. Client consents to Custodian's identification of Client as a customer of the Services, including in marketing or investor materials, and Custodian consents to Client's use of Custodian's name or approved logos or promotional materials to identify Custodian as its custodial service provider as contemplated by this Agreement. Notwithstanding the foregoing, Custodian may revoke its consent to such publicity under this Section 10.2 at any time for any reason upon notice to Client, and Client will promptly cease any further use of Custodian's name, logos, and trademarks and remove all references and postings identifying Custodian.

10.3 Entire Agreement. This Agreement, any schedules or attachments to this Agreement, the BitGo Privacy Notice, and all disclosures, notices, or policies available on the Company Site that are specifically referenced in this Agreement, comprise the entire understanding and agreement between Client and Custodian regarding the Services, and supersede any and all prior discussions, agreements, and understandings of any kind (including any prior versions of this Agreement) and every nature between and among Client and Custodian with respect to the subject matter hereof.

10.4 Interpretation. For purposes of this Agreement, (a) the words "include," "includes" and "including" are deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereto," and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to sections, schedules, and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; and (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The schedules and exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein. Whenever the masculine is used in this Agreement, the same shall include the feminine and whenever the feminine is used herein, the same shall include the masculine, where appropriate. Whenever the singular is used in this Agreement, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate. Section headings in this Agreement are for convenience only and shall not govern the meaning or interpretation of any provision of this Agreement.

10.5 No Waiver. No waiver under this Agreement is effective unless it is in writing, identified as a waiver to this Agreement, and signed by an authorized representative of the party waiving its right. Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and does not operate as a waiver on any future occasion. None of the following constitutes a waiver or estoppel of any right, remedy, power, privilege, or condition arising from this Agreement: (i) any failure or delay in exercising any right, remedy, power, or privilege or in enforcing any condition under this Agreement; or (ii) any act, omission, or course of dealing between the parties.

10.6 Amendments. Except as set forth in Section 1.7, any modification or addition to this Agreement must be in a writing signed by a duly authorized representative of each of the parties. Client agrees that Custodian shall not be liable to Client or any third party for any modification or termination of the Services or suspension or termination of Client's access to the Services, except to the extent otherwise expressly set forth herein.

10.7 Assignment. Client may not assign any rights or licenses granted under this Agreement without the prior written consent of Custodian. Custodian may not assign any of its rights without the prior written consent of Client; except that Custodian may assign this Agreement without the prior consent of Client to any Custodian Affiliates or pursuant to a transfer of all or substantially all of Custodian's business and assets, whether by merger, sale of assets, sale of stock, or otherwise. Any attempted transfer or assignment in violation hereof shall be null and void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their successors, and permitted assigns.

10.8 Severability. If any provision of this Agreement shall be determined to be invalid or unenforceable, such provision will be changed and interpreted to accomplish the objectives of the provision to the greatest extent possible under Applicable Law and the validity or enforceability of any other provision of this Agreement shall not be affected.

10.9 DISPUTE RESOLUTION. THE PARTIES AGREE THAT ALL CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE USE OF THE SERVICES ("**DISPUTES**"), WHETHER ARISING PRIOR TO, ON, OR SUBSEQUENT TO THE EFFECTIVE DATE, SHALL BE ARBITRATED AS FOLLOWS: The parties irrevocably agree to submit all Disputes between them to binding arbitration conducted under the Commercial Dispute Resolution Procedures of the American Arbitration Association (the "**AAA**"), including the Optional Procedures for Large Complex Commercial Disputes, if applicable. The place and location of the arbitration shall be in Sioux Falls, South Dakota. All arbitration proceedings shall be closed to the public and confidential, and all related records shall be permanently sealed, except as necessary to obtain court confirmation of the arbitration award. The arbitration shall be conducted before a single arbitrator selected jointly by the parties. The arbitrator shall be a retired judge with experience in custodial and trust matters under South Dakota law. If the parties are unable to agree upon an arbitrator, then the AAA shall choose the arbitrator. The language to be used in the arbitral proceedings shall be English. The arbitrator shall be bound to the strict interpretation and observation of the terms of this Agreement and shall be specifically empowered to grant injunctions or specific performance and to allocate between the parties the costs of arbitration, as well as reasonable attorneys' fees and costs, in such equitable manner as the arbitrator may determine. Judgment upon the award so rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based upon such claim, dispute, or other matter in question would be barred by the applicable statute of limitations. Notwithstanding the foregoing, either party shall have the right, without waiving any right or remedy available to such party under this Agreement or otherwise, to seek and obtain from any court of competent jurisdiction any interim or provisional relief that is necessary or desirable to protect the rights or property of such party, pending the selection of the arbitrator hereunder or pending the arbitrator's determination of any dispute, controversy, or claim hereunder. In any dispute arising under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party.

10.10 Governing Law. The laws of the State of South Dakota, without regard to principles of conflict of laws, will govern this Agreement and any claim or dispute that has arisen or may arise between Client and Custodian, except to the extent governed by federal law of the United States of America.

10.11 Force Majeure. Custodian shall not be liable for delays, suspension of operations, whether temporary or permanent, failure in performance, or interruption of service which result directly or indirectly from any cause or condition beyond the reasonable control of Custodian, including any delay or failure due to any act of God, natural disasters, epidemic, pandemic, act of civil or military authorities, act of terrorists, including cyber-related terrorist acts, hacking, government restrictions, exchange or market rulings, civil disturbance, war, strike or other labor dispute, fire, interruption in telecommunications or Internet services or network provider services, failure of equipment or software, other catastrophe, or any other occurrence which are beyond the reasonable control of Custodian.

10.12 Relationship of the Parties. Nothing in this Agreement shall be deemed or is intended to be deemed, nor shall it cause, Client and Custodian to be treated as partners, joint ventures, or otherwise as joint associates for profit, or either Client or Custodian to be treated as the agent of the other.

[*Remainder of page intentionally left blank. Signature page follows*.]

IN WITNESS WHEREOF, this Agreement is executed by the parties as of the Effective Date.

BITGO BANK & TRUST, NATIONAL ASSOCIATION

By: /s/ Jody Mettler

Name: Jody Mettler

Title: President

Date: 5.6.2026

Address for Notice:

101 S. Reid St Suite 307 PMB# 9793
Sioux Falls, SD 57103
Attn: Legal
Email: [***]

USBC, Inc.

By: /s/ Kitty Payne

Name: Kitty Payne

Title: CFO

Date: 5.5.2026

Address for Notice:

Robert Gregory Kidd
300 E. 2nd St, 15th Floor, Reno, NV 89501

Attn: Legal

Email: [***]

SCHEDULE A

FEES AND ADDITIONAL TERMS

This Fee Schedule forms part of the Custodial Services Agreement by and between Client and Custodian (the "**Agreement**") and is effective as of the Effective Date. The parties hereto agree that the fees associated with applicable Services shall be as set forth below. All fees are exclusive of all applicable taxes imposed by the appropriate taxing authority. All capitalized terms not defined in this Fee Schedule shall have the meaning ascribed to them in the body of the Agreement.

I. Minimum Custodial Account Balance. At all times during the Term of the Agreement, Client is required to maintain a balance equivalent to [***] (USD) in each of its Custodial Accounts.

II. Fees. The fees[1] associated with Services for Client are as follows:

1. Onboarding Fee. The Client implementation fee set forth below is a one-time flat fee assessed to cover onboarding and implementation costs (the "**Onboarding Fee**").

The Onboarding Fee will be [***].

2. Monthly Minimum Fee. Aggregate monthly fees (Digital Asset Storage Fees + Transaction Fees + Settlement Fees) are subject to a minimum charge of [***] ("**Monthly Minimum Fee**") per month.

3. Initial Payment. Following the Effective Date and upon Client's receipt of Custodian's invoice, Client shall make an up-front non-refundable payment to Custodian of an amount equal to the Onboarding Fee plus one Monthly Minimum Fee. The Initial Payment is non-refundable, and the Monthly Minimum Fee component thereof shall be applied only towards the first month of Service Fees owed by Client under the Agreement.

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[1] For the purpose of calculating fees, please consult: https://www.bitgo.com/resources/price-feeds for current information on how Custodian computes USD value of digital currencies.

4. Digital Asset Storage Fee. The “Digital Asset Storage Fee” is calculated at the end of each calendar month based on the aggregate USD market value of average holdings held by Client in (i) Custodial Accounts and (ii) wallets provided as Wallet Services. The Digital Asset Storage Fee is a tiered fee, as applicable, as defined in the table below. Tiers are cumulative. Digital Asset Storage Fees are billed monthly and calculated either:

☐ on a per asset type basis

X on an aggregated basis

Digital Asset Storage Fee:	
Digital Assets Stored ($ USD)	Basis Points (bps)
From $0	[***]

5. Transaction Fees. The “Transaction Fees” are tiered, as applicable, as defined in the table below. Transaction Fees are cumulative and as defined in the table below, based on the aggregate USD market value of the transaction volume (i.e., all outgoing transactions from Custodial Accounts and Wallet

Services) during that month. Transaction Fees are exclusive of any network fees charged by the underlying blockchain, and these network fees shall be collected from Client.

Transaction Fee:[2]	
Transaction Volume ($ USD)	Basis Points (bps)
From $0	[***]

III. **<u>Expanded Definition of Services</u>.** Under this fee structure, Client may be provided access to additional services provided by Custodian or its Affiliates. As such, the definition of "Services" as used in the Agreement shall be modified to mean Custodial Services, Wallet Services and the additional services set forth below. **Each additional service is subject to additional terms and conditions set forth in the applicable hyperlink.**

1. **WalletConnect.** The Wallet Services may integrate with WalletConnect's APIs and services. WalletConnect is a non-BitGo application that enables Client to connect with third-party applications and decentralized applications (collectively, "**dApps**"). While the Wallet Services may facilitate such connections, WalletConnect and any dApps accessed through it are not owned, operated, controlled, reviewed, or endorsed by BitGo, Inc. or its Affiliates. Transactions authorized through WalletConnect may be irreversible. Client should connect only to trusted third-party applications and wallets. BitGo, Inc. disclaims all liability for any losses or damages arising from Client's use of WalletConnect or any dApps or wallets accessed through it. Use of

[2] Transaction Fees are calculated on outgoing transactions only. For clarity, transfers by Client to Non-custodial wallets offered under the Agreement will not be assessed Transaction Fees. Transaction Fees are also exclusive of any network fees charged by the underlying blockchain.

WalletConnect is governed by the WalletConnect Foundation's Terms of Use (located at https://walletconnect.network/terms).

X Not Applicable

☐ Applicable, Monthly fee: ________

2. **NFT Custody.** NFT Custody is governed by https://www.bitgo.com/legal/nft-service-terms.

X Not Applicable

☐ Applicable, The Digital Asset Storage Fee covers up to [____________] NFTs in all products, in aggregate. Overage fee: _____

3. **Staking Services.** Staking (where available) are governed by https://www.bitgo.com/legal/staking-and-delegation-services-terms.

4. **API Endpoint.** Client may order a dedicated API endpoint

X Not Applicable

☐ Applicable, Monthly fee: $[***] per month

IV. **<u>Payment Terms</u>.** Client shall pay such fees and expenses to Custodian within thirty (30) days after the date of Custodian's invoice. Invoices may be provided by electronic delivery. Payments shall be made to Custodian in U.S. Dollars, Bitcoin, USDC, USDT, or USD1. If any invoice is disputed in good faith, Client shall pay all undisputed amounts and the disputed amount will be due and payable within thirty (30) days after any such dispute has been resolved either by agreement of the parties or in accordance with dispute resolution procedures in the Agreement. All late payments and any disputed payments made after the resolution of such dispute shall bear interest accruing from the original payment due date through the date that such amounts are paid at the lower interest rate of (A) 1.0% per month and (B) the highest interest rate allowed by Applicable Law. Notwithstanding the foregoing, failure to pay undisputed fees and expenses by Client shall constitute a material breach of the Agreement. Client agrees that, without limitation of Custodian's other rights and remedies, Custodian shall have the right and authority, in its discretion, to liquidate any and all Digital Assets in Client's accounts to cover any unpaid fees and expenses.

If a correct taxpayer number is not provided to Custodian, Client understands and agrees that Client may be subject to backup withholding tax at the appropriate rate on any interest and gross proceeds paid to the account for the benefit of Client. Backup withholding taxes are sent to the appropriate taxing authority and cannot be refunded by Custodian.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) and 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Gregory Kidd, certify that:

1. I have reviewed this quarterly report on Form 10-Q of USBC, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2026

/s/ Robert Gregory Kidd
Robert Gregory Kidd
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) and 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kitty Payne, certify that:

1. I have reviewed this quarterly report on Form 10-Q of USBC, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2026

/s/ Kitty Payne
Kitty Payne
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of USBC, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned Robert Gregory Kidd, Chief Executive Officer (Principal Executive Officer) of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2026

/s/ Robert Gregory Kidd
Robert Gregory Kidd
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to USBC, Inc. and will be retained by USBC, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission pursuant to § 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of USBC, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Kitty Payne, Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2026

/s/ Kitty Payne

Kitty Payne

Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to USBC, Inc. and will be retained by USBC, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The forgoing certification is being furnished to the Securities and Exchange Commission pursuant to § 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.