

**Bitcoin Treasury Corporation**  
(formerly 2680083 Alberta Ltd.)

**Financial Statements**  
**For the year ended December 31, 2025**

**(Audited - Expressed in Canadian Dollars)**

## Independent auditor's report

To the Shareholders of  
**Bitcoin Treasury Corporation**

### Opinion

We have audited the financial statements of **Bitcoin Treasury Corporation** [the "Company"], which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the periods then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards ["IFRSs"].

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<b><i>Digital currency and Digital currency pledged as collateral [collectively, “Digital Currencies”]</i></b>	
<p>As disclosed in note 3 and note 6, Digital currency and Digital currency pledged as collateral consist of bitcoin and are accounted for as an intangible asset. As at December 31, 2025, the carrying amount of the Company’s Digital currency was \$29.09 million and Digital currency pledged as collateral was \$62.39 million.</p> <p>Auditing the Company’s Digital Currencies was complex, involved significant audit effort, and required the involvement of specialists to understand the technology behind the blockchain protocol and to test the existence of and rights and obligations relating to the Digital Currencies. As a result, we identified Digital Currencies as a key audit matter.</p>	<p>Our audit procedures performed to address this key audit matter included the following, among others:</p> <ul style="list-style-type: none"> <li>• With the assistance of our professionals with specialized skills and knowledge in blockchain and cryptography, we obtained an understanding of the Digital Currencies blockchain and evaluated the audit evidence obtained from the blockchain.</li> <li>• We reviewed the Company’s third-party custodians’ service organization controls reports to evaluate the design and operating effectiveness of controls over the digital asset process, including controls over the private key generation, storage and reconciliation of Digital Currencies to the blockchain.</li> <li>• We traced transactions initiated at our request from both the Company’s segregated and collateral wallets to assess that the Company maintains control over the private keys associated with these wallets.</li> <li>• We compared the Company’s records of Digital Currencies balances at year-end and a sample of transactions throughout the year to the records on the public blockchain using our own node and to corresponding bank statements, where applicable.</li> <li>• We evaluated the valuation of the Digital Currencies by comparing to independent pricing sources.</li> <li>• We assessed the adequacy of the Company’s disclosures related to Digital Currencies.</li> </ul>

**Other information**

Management is responsible for the other information. The other information comprises management’s discussion and analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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We obtained management's discussion and analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Osbert Liu.



Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
April 15, 2026

**Bitcoin Treasury Corporation**  
**(formerly 2680083 Alberta Ltd.)**  
**STATEMENTS OF FINANCIAL POSITION**  
(Audited - Expressed in Canadian Dollars)

		December 31, 2025	December 31, 2024
	Notes	\$	\$
<b>ASSETS</b>			
Cash		1,740,677	-
Interest receivable		3,921	-
Prepaid expenses		206,537	-
Digital currency	6	29,093,309	-
Digital currency pledged as collateral	6	62,392,795	-
Digital currency, loaned	7	841,258	-
<b>Total assets</b>		<b>94,278,497</b>	<b>-</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Accounts payable and accrued liabilities		351,676	-
Convertible debentures	8	18,487,921	-
<b>Total liabilities</b>		<b>18,839,597</b>	<b>-</b>
<b>Shareholders' equity</b>			
Share capital	9	95,576,036	-
Reserves	9	24,078,424	-
Accumulated deficit		(44,215,560)	-
<b>Total shareholders' equity</b>		<b>75,438,900</b>	<b>-</b>
<b>Total liabilities and shareholders' equity</b>		<b>94,278,497</b>	<b>-</b>

Approved on Behalf of the Board of Directors on April 15, 2026:

/s/ Raj Lala  
Director

/s/ Michael Simonetta  
Director

*The accompanying notes are integral part of these financial statements*

**Bitcoin Treasury Corporation**  
**(formerly 2680083 Alberta Ltd.)**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Audited - Expressed in Canadian Dollars)

	Notes	For the year ended December 31, 2025	For the period from Incorporation on December 20, 2024 to December 31, 2024
		\$	\$
<b>Revenue</b>			
Lending income	7	3,592	-
<b>Expenses</b>			
Operating fees		676,049	-
Marketing and investor relations		225,345	-
Consulting fees		56,656	-
Insurance		166,811	-
General and administrative fees		22,682	-
Filing fees		237,771	-
Professional fees		2,079,121	-
Salary and wages		73,768	-
Share-based payments	9	24,078,424	-
Travel		3,327	-
<b>Total operating expenses</b>		<b>27,619,954</b>	<b>-</b>
<b>Net operating loss</b>		<b>(27,616,362)</b>	<b>-</b>
<b>Other income (expenses)</b>			
Finance expense	8	(1,410,299)	-
Foreign exchange loss		(15,825)	-
Interest income		30,017	-
Interest expense	8	(130,822)	-
Unrealized loss on digital currency and digital currency pledged as collateral	6	(20,565,805)	-
Net unrealized loss on digital currency loans	7	(237,778)	-
Unrealized gain on change in fair value of convertible debentures	8	6,512,079	-
Listing expense	5	(780,765)	-
<b>Net loss and comprehensive loss for the period before tax</b>		<b>(44,215,560)</b>	<b>-</b>
Tax expense		-	-
<b>Net loss and comprehensive loss for the period</b>		<b>(44,215,560)</b>	<b>-</b>
Basic and diluted loss per share		(8.38)	-
Weighted average number of shares – basic and diluted		5,273,228	-

*The accompanying notes are integral part of these financial statements*

**Bitcoin Treasury Corporation**  
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**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Audited - Expressed in Canadian Dollars)

	Share Capital			Reserves	Accumulated Deficit	Total Shareholders' Equity
	Number of Common Shares	Number of Foundation Shares	Share Capital \$			
<b>Balance, December 31, 2024</b>	-	-	-	-	-	-
Shares issued upon reverse takeover (Note 5)	74,999	-	749,990	-	-	749,990
Common shares issued	1	-	-	-	-	-
Foundation shares issued	-	80	-	-	-	-
Foundation shares exchanged (Note 9)	80	(80)	-	-	-	-
Concurrent financing – shares (Note 9)	10,000,000	-	100,000,000	-	-	100,000,000
Concurrent financing – share issuance costs (Note 9)	-	-	(5,173,954)	-	-	(5,173,954)
Share-based payments (Note 9)	-	-	-	24,078,424	-	24,078,424
Net loss and comprehensive loss	-	-	-	-	(44,215,560)	(44,215,560)
<b>Balance, December 31, 2025</b>	<b>10,075,080</b>	<b>-</b>	<b>95,576,036</b>	<b>24,078,424</b>	<b>(44,215,560)</b>	<b>75,438,900</b>

*The accompanying notes are integral part of these financial statements*

**Bitcoin Treasury Corporation**  
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**STATEMENTS OF CASH FLOWS**  
(Audited - Expressed in Canadian Dollars)

	<b>For the year ended December 31, 2025</b>	<b>For the period from Incorporation on December 20, 2024 to December 31, 2024</b>
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(44,215,560)	-
Non-cash items:		
Share-based payments	24,078,424	-
Unrealized gain on change in fair value of convertible debentures	(6,512,079)	-
Unrealized loss on revaluation of digital currency and digital currency pledged as collateral	20,565,805	-
Unrealized loss on revaluation of digital currency loans	237,778	-
Lending income	(3,592)	-
Listing expense	780,765	-
Changes in non-cash working capital:		
Interest receivable	(3,921)	-
Prepaid expenses	(206,537)	-
Accounts payable and accrued liabilities	320,901	-
<b>Cash used in operating activities</b>	<b>(4,958,016)</b>	<b>-</b>
<b>Investing activities</b>		
Purchase of digital currency and digital currency pledged as collateral	(113,127,353)	-
<b>Cash used in investing activities</b>	<b>(113,127,353)</b>	<b>-</b>
<b>Financing activities</b>		
Proceeds from issuance of shares	100,000,000	-
Share issuance costs	(5,173,954)	-
Proceeds from issuance of convertible debentures	25,000,000	-
<b>Cash provided by financing activities</b>	<b>119,826,046</b>	<b>-</b>
<b>Net increase in cash during the period</b>	<b>1,740,677</b>	<b>-</b>
Cash, beginning of the period	-	-
<b>Cash, end of the period</b>	<b>1,740,677</b>	<b>-</b>
<b>Supplemental cashflow information</b>		
Interest paid	125,342	-
Taxes paid	-	-

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**Bitcoin Treasury Corporation**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2025**  
(Audited - Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS**

Bitcoin Treasury Corporation (formerly 2680083 Alberta Ltd.) (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on July 27, 2021. The business continued from British Columbia to Alberta on January 21, 2025. The principal business of the Company is to provide Bitcoin services to institutional clients, with a current focus on Bitcoin lending, and to opportunistically pursue liquidity and collateral solutions. The Company’s head office is located at 161 Bay St., Suite 1210, Toronto, Ontario, M5J 2S1.

On June 23, 2025, the Company completed an amalgamation with Bitcoin Treasury Corporation (“BTCT”) pursuant to the provisions of the *Business Corporations Act* (Alberta), (the “Transaction”). Upon completion of the Transaction, the shareholders of BTCT obtained control of the consolidated entity. As a result, BTCT was identified as the accounting acquirer, and accordingly, the entity is considered to be a continuation of BTCT with the net assets of the Company at the date of the reverse takeover deemed to have been acquired by BTCT.

Immediately prior to the completion of the Transaction, the Company completed a consolidation of the common shares of the Company based on a ratio of one post-consolidation common share for each 51.66712593 pre-consolidation common shares, resulting in an aggregate of 74,999 common shares.

On June 24, 2025, in connection with the Transaction, the newly amalgamated entity received approval from the TSX Venture Exchange and trading commenced under the symbol BTCT.

**2. BASIS OF PRESENTATION**

**a) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), and the interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. These financial statements were approved by the Board of Directors for issue on April 15, 2026.

**b) Basis of preparation**

The financial statements have been prepared on a going concern basis using the historical cost convention, except for items that IFRS requires or for which the Company has elected to be carried at fair value as described in the material accounting policy information. In addition, these financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

**c) Presentation and functional currency**

The Company’s functional currency is the Canadian dollar, which is the currency of the primary economic environment in which it operates. The Company’s performance is evaluated, and its liquidity is managed in Canadian dollars. Therefore, the Canadian dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Company’s presentation currency is also the Canadian dollar.

**d) New standards, amendments and interpretations adopted**

Several standards and amendments and interpretations to published standards that became effective for the Company’s financial period ending on December 31, 2025, were not relevant or not significant to the Company’s operations and accordingly did not impact the Company.

**Bitcoin Treasury Corporation**  
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**2. BASIS OF PRESENTATION (CONTINUED)**

**e) New standards, amendments and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2025 and have not been applied in preparing these financial statements.

*Presentation and Disclosure in Financial Statements ("IFRS 18")*

In April 2024, the IASB issued IFRS 18, which replaces International Accounting Standard 1 ("IAS 1"), *Presentation of Financial Statements*. It introduces several new requirements that are expected to impact the presentation and disclosure of the financial statements. These include:

- The requirement to classify all income and expenses into specified categories and provide specified totals and subtotals in the statements of profit or loss.
- Enhanced guidance on the aggregation, location and labelling of items across the financial statements and the notes to the financial statements.
- Required disclosures about management-defined performance measures.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027 with early adoption permitted.

The Company is currently assessing the effect of the above standard. No other new standards, amendments and interpretations are expected to have a material effect on the financial statements of the Company.

**3. MATERIAL ACCOUNTING POLICY INFORMATION**

*Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) *Recognition and measurement of financial assets*

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) *Classification of financial assets*

The Company classifies financial assets at initial recognition as financial assets measured at amortized cost.

*Financial assets measured at amortized cost*

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost: (1) The Company's business model for such financial assets is to hold the asset in order to collect contractual cash flows; and (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

**Bitcoin Treasury Corporation**  
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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

*Financial assets measured at fair value through other comprehensive income ("FVTOCI")*

A financial asset measured at FVTOCI is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at FVTOCI" in other comprehensive income.

*Financial assets measured at fair value through profit or loss ("FVTPL")*

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is remeasured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

*(iii) Derecognition of financial assets*

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

*(iv) Impairment of financial assets*

The Company assesses at each reporting date whether a loss allowance for expected credit losses is required on financial assets measured at amortized cost. The Company applies the simplified approach permitted by, Financial Instruments ("IFRS 9"), and recognizes lifetime expected credit losses from initial recognition of the financial asset. A financial asset is considered credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset.

Financial liabilities

*(i) Recognition and measurement of financial liabilities*

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

*(ii) Classification of financial liabilities*

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at FVTPL.

*Financial liabilities measured at amortized cost*

A financial liability measured at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

**Bitcoin Treasury Corporation**  
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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

*Financial liability measured at FVTPL*

A financial liability measured at FVTPL is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is remeasured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

*(iii) Derecognition of financial liabilities*

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss

*Business combinations*

Business combinations are accounted for using the acquisition method of accounting, whereby identifiable assets acquired and liabilities assumed are recorded at fair market value as of the date of acquisition with the excess of the purchase price over such fair value recorded as goodwill (if applicable). If a transaction does not meet the definition of a business combination as per IFRS standards, the transaction is recorded as an acquisition of an asset.

*Digital currency and digital currency pledged as collateral*

Digital currency consists of Bitcoin and digital currency pledged as collateral consists of Bitcoin pledged as collateral for convertible debentures. Each represents a cryptocurrency-denominated asset, and is included in assets. Digital currencies and digital currencies pledged as collateral meet the definition of intangible assets in Intangible Assets ("IAS 38"), as they are identifiable non-monetary assets without physical substance. Digital currency pledged as collateral consists of digital currency that is pledged as collateral, but where the convertible debenture holders, their agents or the collateral agent has not obtained control over this collateral. The Company has determined that its digital currencies and digital currencies pledged as collateral are indefinite-life assets, given there is no foreseeable limit to the period over which they can be used or exchanged. Purchased digital currencies are initially recorded at cost. The revaluation method is used to measure the digital currencies and digital currencies pledged as collateral, subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in the statements of loss and comprehensive loss. During the year ended December 31, 2025, no revaluation surplus was recognized in other comprehensive income. There is no recycling of gains from other comprehensive income in the statements of loss and comprehensive loss, except to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in the statements of loss and comprehensive loss, that increase is recorded in the statements of loss and comprehensive loss.

Digital currency and Digital currency pledged as collateral held by the Company are both valued at their fair value using the CME CF Bitcoin Reference Rate ("BRR") listed on "Cfbenchmarks.com". The CME CF BRR is a once a day benchmark index price for Bitcoin that aggregates trade data from multiple Bitcoin-USD markets operated by major cryptocurrency exchanges that conform to the CME CF Constituent Exchange Criteria. The fair value of digital currency pledged as collateral is based on this level 1 fair value of Bitcoin as the restrictions on the entity's ability to sell the Bitcoin held as collateral for the convertible debenture are not characteristics of the Bitcoin itself but are instead entity specific and would not transfer in an assumed sale of the Bitcoin. Subsequent to initial recognition, digital currencies and digital currencies pledged as collateral are remeasured at each reporting period to the Canadian dollar price.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

*Digital currency, loaned*

As part of its business strategy, the Company has entered into a loan agreement to lend digital currency to a reputable counterparty. Under the terms of the master loan agreement, interest received on digital currency loans receivable is denominated in the underlying digital currency of the loan, Bitcoin.

Upon entering into a digital currency loan arrangement, the Company derecognizes the digital currency loaned, and recognizes a digital currency loan receivable at fair value. At each reporting date, the Company remeasures the loan to fair value, with all changes recognized in profit or loss. The Company considers the effects of Bitcoin price movements, passage of time, yield, market credit spreads and changes in counterparty credit risk in its assessment of fair value.

Yield is disaggregated from other changes in fair value on the statements of loss and comprehensive loss to reflect the nature of the Company's operations. Yield on digital currency loans is accounted for as lending income. Lending income is recognized in revenue in the statements of loss and comprehensive loss based on the contractual interest earned based on the daily average Bitcoin price.

In assessing counterparty credit risk, the Company applies an internal credit evaluation model that benchmarks the counterparty's net equity position against ranges broadly aligned with traditional credit ratings (e.g., AAA, AA, BBB). The model incorporates defined thresholds for net equity and applies percentage adjustments to the credit spread element of the interest rate to reflect incremental changes in credit quality between rating categories. Changes in the credit evaluation of the counterparty result in a reassessment of its implied credit rating and corresponding adjustments to the estimated credit spread element of the interest rate used to measure fair value.

*Convertible debentures*

As the convertible debentures have one or more embedded derivatives, the Company has designated the convertible debentures at FVTPL as per IFRS 9. At the end of each reporting period, the convertible debenture is revalued at fair value with any change in the fair value attributable to changes in the credit risk presented in other comprehensive income and the remaining amount of change in fair value recorded through profit and loss. Transaction costs that are directly attributed to the issuance of the debentures are expensed in full in the statements of loss and comprehensive loss, along with interest accrued through to the reporting date.

*Share issuance costs*

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

*Share-based compensation*

Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. If it is determined the fair value of the goods or services cannot be reliably measured, share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, and is recorded at the date the goods or services are received. The corresponding amount is recorded to reserves.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

*Income taxes*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted by the end of the reporting date.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting. The change in the net deferred income tax asset or liability is included in income except for deferred income tax relating to equity items that is recognized directly in equity. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with the Company's accounting practices, and the periods they are recognized for income tax purposes are reflected as deferred income tax assets or liabilities. Deferred income tax assets and liabilities are measured using the substantively enacted statutory income tax rates that are expected to apply to taxable income in the years in which the assets are realized or the liabilities settled. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity and are intended to be settled on a net basis.

**4. JUDGMENTS AND ESTIMATES**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

*Estimates*

Convertible debentures

The Company has designated its convertible debentures as financial liabilities at FVTPL. As the debentures are not traded in an active market, their fair value cannot be determined by reference to quoted prices. Accordingly, the Company determines fair value using a partial differential equation ("PDE") model, which incorporates market participant assumptions and is calibrated to the contractual terms of the debentures. Changes in volatility reflect bitcoin price volatility as well as comparable peer capital structures. Market yield is calibrated to CCC-rated corporate bond yields. The determination of fair value requires management to exercise significant judgment in selecting and calibrating the inputs to the PDE model. Changes in these inputs can give rise to materially different fair value measurements.

Digital currency, loaned

The Company has designated its digital currency, loaned as FVTPL. As the loans are not traded in an active market, the fair value cannot be determined by reference to quoted prices. Accordingly, the Company estimates fair value using a discounted cash flow model, which incorporates market participant assumptions and reflects the contractual terms of the loan.

The model requires the use of significant assumptions, including the timing and amount of expected future cash flows and an appropriate discount rate. The discount rate is determined based on market yields for instruments with similar credit risk, terms, and economic characteristics. Expected cash flows are adjusted for the effects of Bitcoin price movements, passage of time, yield and changes in counterparty credit risk. The determination of fair value requires management to exercise significant judgment in selecting and calibrating these inputs. Changes in these assumptions could result in materially different fair value measurements.

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**4. JUDGMENTS AND ESTIMATES (CONTINUED)**

Share-based compensation

Compensation expenses relating to performance warrants granted by the Company are based on the fair value of the option. The determination of fair value requires the use of estimates and assumptions and is, by nature, subject to measurement uncertainty.

Income taxes

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

*Judgments*

The key areas of judgment that have a significant risk of causing a material adjustment to the amounts recognized in the financial statements are:

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing these financial statements. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. Management has determined that the Company is a going concern given the cash balance of \$1,740,677. In the event where cash reserves are not sufficient to cover operations, the Company will liquidate a portion of its digital currency holdings to meet its financial obligations.

**5. REVERSE TAKEOVER**

On May 17, 2025, the Company and BTCT entered into an amalgamation agreement, whereby the Company would acquire all issued and outstanding shares of BTCT, and shareholders of BTCT would receive one share in the Company for each share held in BTCT. The transaction closed on June 23, 2025.

Upon completion of the Transaction, former shareholders of BTCT own 99% and the existing shareholders of the Company own 1% of the issued and outstanding common shares of the Company. As a result, former shareholders of BTCT acquired control of the Company, thereby constituting a reverse takeover of the Company. The reverse takeover is considered a purchase of the Company's net assets by the shareholders of BTCT.

The Transaction is accounted for in accordance with guidance provided in IFRS 2, *Share-Based Payment*, and IFRS 3, *Business Combinations* ("IFRS 3"). As the Company did not qualify as a business according to the definition in IFRS 3, this Transaction is treated as an issuance of shares by BTCT for the net assets of Company.

The purchase price is allocated as follows:

	\$
Fair value of common shares retained by former shareholders of the Company (74,999 shares at \$10.00 per share)	749,990
<b>Total consideration paid</b>	<b>749,990</b>
<b>Net liabilities assumed of the Company:</b>	
Accounts payable and accrued liabilities	30,775
<b>Excess consideration - listing expense</b>	<b>780,765</b>

The fair value of \$10.00 per share was based on the most recent financing completed prior to the Transaction.

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**6. DIGITAL CURRENCY AND DIGITAL CURRENCY PLEDGED AS COLLATERAL**

As at December 31, 2025, the Company holds Bitcoin as its digital currency and its digital currency pledged as collateral. The Company's digital currency and digital currency pledged as collateral are held by third-party custodians. The Company's digital currencies pledged as collateral are segregated from the Company's digital currencies. Bitcoin is recorded at its fair value on the date it is received and is subsequently measured at fair value under the IAS 38 revaluation model at each reporting date. Fair value is determined by taking the CME CF BRR as listed on "cfbenchmarks.com" at 4:00 p.m. London time and using the USD-CAD WMR FX Benchmark at 4:00 p.m. London time.

The continuity and breakdown of digital currency and digital currency pledged as collateral are as follows:

	BTC Units	\$
<b>Balance, December 31, 2024</b>	-	-
Digital currency and digital currency pledged as collateral purchased	771.37	113,127,353
Digital currency and digital currency, loaned (Note 7)	(7.00)	(1,075,444)
Digital currency and digital currency pledged as collateral revaluation	-	(20,565,805)
<b>Balance, December 31, 2025</b>	<b>764.37</b>	<b>91,486,104</b>
Digital currency	243.08	29,093,309
Digital currency – collateral	521.29	62,392,795
	<b>764.37</b>	<b>91,486,104</b>

**7. DIGITAL CURRENCY LOANS RECEIVABLE**

During the year ended December 31, 2025, the Company entered into a loan agreement for 7.00 BTC with a US-based trading firm. The loan is unsecured for a term of less than one year. The loan cannot be terminated at the option of the Company or the borrower. Accrued interest on the loan is denominated in Bitcoin.

	BTC Units	\$
<b>Balance, December 31, 2024</b>	-	-
Digital currency loan	7.00	1,075,444
Changes in fair value:		
Lending income	0.29	3,592
Unrealized loss on digital currency loan	-	(237,778)
<b>Balance, December 31, 2025</b>	<b>7.29</b>	<b>841,258</b>

Lending income of \$3,592 was recognized in revenue during the year based on the contractual interest earned based on the daily average Bitcoin price. The accrued interest balance was subsequently remeasured to fair value at December 31, 2025, resulting in a carrying amount of \$3,443, with the difference recognized in unrealized loss on digital currency loans. As at December 31, 2025, the loan is current and not past due.

Management reassessed the credit risk of the lender at the end of the reporting period to determine if there were any changes in credit spreads that impacted fair value due to either market credit spreads or changes in credit quality of the borrower. As at December 31, 2025, it was determined that there was no significant change.

**8. CONVERTIBLE DEBENTURES**

On June 23, 2025, the Company closed a brokered private placement of secured convertible debentures for gross proceeds of \$25,000,000. The debentures are collateralized by the Company's Bitcoin holdings. The debentures mature in five years after issuance and bear interest at the rate of 1% per annum payable semi-annually. Pursuant to the terms of the debentures, the holder may, at the earlier of the maturity date and the date fixed for redemption by the Company, convert the principal amounts of the debentures and any accrued but unpaid interest into common shares of the Company, at a price of \$12.00 per common share. In connection with the offering, the Company paid finders' fees of \$1,252,500 and incurred \$157,799 in other transaction costs.

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**8. CONVERTIBLE DEBENTURES (CONTINUED)**

The convertible debentures are secured against the Company's Bitcoin holdings. The Company is required to hold \$75,000,000 in Bitcoin as collateral, representing 3.0 times the dollar value of the debentures. The value of the collateral was calculated the day before the debentures were issued, and, in addition, is recalculated at the end of every calendar quarter. The calculation is based on a 10-day average lookback (the "Average Bitcoin Price") determined by the daily rate denominated in US dollars by the CME CF Bitcoin Reference, published on the CME website (<https://www.cfbenchmarks.com/data/indices/BRR>) at 4:00 p.m. London time. In a quarter where the Average Bitcoin Price is greater than 133.3% of the Average Bitcoin Closing Price, collateral equal to 40% of the increase in the value of the collateral above the Average Bitcoin Closing Price will be irrevocably released. For each calendar quarter subsequent to the initial Bitcoin Price Collateral Release, additional collateral will only be irrevocably released to the extent that the Average Bitcoin Price calculated as of the end of such quarter exceeds the highest Average Bitcoin Price at which any previous Bitcoin Price Collateral Release occurred, in the amount of 40% of the increase in the value of the collateral above the highest previous Average Bitcoin Price.

In connection with the financing, the Company incurred \$1,410,299 in financing costs related to the issuance of the debt. The transaction costs have been expensed in full in the statements of loss and comprehensive loss.

As the convertible debenture contains more than one embedded derivative which all, under select circumstances, may be repaid in cash, the Company has designated the convertible debentures at FVTPL.

As at December 31, 2025, the fair value of the convertible debentures is \$18,487,921 and a gain of \$6,512,079 has been recorded on the revaluation of the debenture. The fair value of the convertible debentures was calculated using a partial differential equation model, which incorporates market participant assumptions and observable market data, calibrated to the terms of the debenture contract. Key input assumptions include the risk-free rate of 2.86%, credit spread of 19.90%, volatility of 65.00%, underlying share price of \$5.10 and conversion price of \$12.00. The portion of the change in fair value attributable to changes in the Company's own credit risk was not significant for the year ended December 31, 2025; accordingly, no amount was recognized in other comprehensive income.

During the year ended December 31, 2025, the Company accrued interest expense of \$130,822 and is included in accounts payable and accrued liabilities.

**9. SHARE CAPITAL**

**a) Share capital**

Authorized: unlimited Class A common shares without par value.

*Share capital activity for the year ended December 31, 2025*

On May 16, 2025, BTCT issued 1 common share to the Chief Executive Officer for \$0.01 per share and 80 Foundation Shares for \$0.001 per share to certain directors and key management of BTCT.

On June 12, 2025, BTCT amended its articles, exchanging 80 Foundation Shares for 80 common shares.

On June 23, 2025, in connection with the Transaction, the Company issued 74,999 common shares (Note 5).

On June 23, 2025, the Company closed a concurrent brokered private placement of 9,573,350 common shares for gross proceeds of \$95,733,500. In connection with the financing, the Company incurred agent's fees of \$4,936,778, and legal and other fees of \$57,797.

On June 26, 2025, the Company closed its brokered offering of 426,650 common shares for gross proceeds of \$4,266,500. In connection with the financing, the Company incurred agent's fees of \$179,377.

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**9. SHARE CAPITAL (CONTINUED)**

*Share capital activity for the period from Incorporation on December 20, 2024 to December 31, 2024*

There were no share capital transactions during this period.

**b) Performance warrants**

On June 19, 2025, the Company issued 2,431,667 performance warrants to officers and directors of the Company. Performance warrants are exercisable at a price of \$0.001 per share until June 19, 2035. No additional grants of performance warrants can be made under this plan. The performance warrants vest at any time if the following conditions have been met:

- a) The fair value of digital currency and digital currency pledged as collateral meets or exceeds the target levels set out below:

<b>Tranche</b>	<b>% of Total Performance Warrants Issued</b>	<b>Bitcoin Holding Value (CAD)</b>
1	25%	\$135,000,000
2	25%	\$158,000,000
3	25%	\$180,000,000
4	25%	\$203,000,000

- b) The market price of Bitcoin exceeds the price on the grant date which was \$143,305; and
- c) The number of warrants that can vest in any year is capped by the percentage growth in Bitcoin per share ("BPS") over the prior 12-month period, subject to a time-decay multiplier of 1.0 in years 1–3, 0.5 in years 4–6 and zero thereafter. The time-decay multiplier is eligible to be reset every 3 years, if more than 50% of the Company's outstanding common shares are subject to a Normal Course Issuer Bid ("NCIB") or other share repurchase within the three-year period.

Once either condition (a) or (b) is first met, it is considered satisfied indefinitely. Condition (b) has been met and considered satisfied. Performance warrants cannot vest solely through increases in the price of Bitcoin, growth in BPS must also occur. To increase BPS, the Company can either increase the number of Bitcoin held or reduce the number of common shares outstanding, which may be achieved through methods such as issuing shares at a premium to acquire additional Bitcoin, repurchasing shares at a discount through an NCIB, or generating Bitcoin revenue, amongst other methods.

As at December 31, 2025, only condition (b) had been met. No BPS growth occurred during the period, and all outstanding performance warrants remained unvested.

Share-based compensation costs attributable to performance warrants granted are measured at their fair value at the grant date based on the inputs noted below. As the conditions noted above were considered to be non-vesting conditions, the entire fair value was expensed on the grant date with a corresponding increase to contributed surplus. The fair value of performance warrants on the date of grant was determined using the Black-Scholes option pricing model with the following assumptions: i) exercise price: \$0.001; ii) share price: \$10.00; iii) term: 10 years; iv) volatility: 100%; and v) discount rate: 3.12%.

The share-based compensation expense of \$24,078,424 recognized also assumes a probability that the vesting condition of each tranche is met, which, on a weighted-average basis, was 99%. As at December 31, 2025, no performance warrants have vested.

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**9. SHARE CAPITAL (CONTINUED)**

**c) Loss per share**

Basic loss per share is calculated by dividing the net loss by the weighted average number of shares. The basic loss per share is as follows:

	For the year ended December 31, 2025	For the period from Incorporation on December 20 to December 31, 2024
	\$	\$
Net loss for the period	(44,215,560)	-
Weighted average number of shares outstanding	5,273,228	-
<b>Basic loss per share</b>	<b>(8.38)</b>	<b>-</b>

No performance warrants or convertible debentures have been included in the computation of weighted average number of shares outstanding as their effect would be anti-dilutive.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive shares. Potentially dilutive shares relate to the exercise of outstanding performance warrants and conversion of debentures.

	For the year ended December 31, 2025	For the period from Incorporation on December 20 to December 31, 2024
	\$	\$
Net loss for the period	(44,215,560)	-
Weighted average number of shares outstanding	5,273,228	-
Effect of dilutive securities:		
Performance warrants	-	-
Convertible debentures	-	-
Weighted average diluted shares outstanding	5,273,228	-
<b>Diluted loss per share</b>	<b>(8.38)</b>	<b>-</b>

**10. RELATED PARTIES**

Key management includes personnel having the authority and responsibility for planning, directing and controlling the Company, and includes the directors and current executive officers. The value of transactions and outstanding balances relating to key management and entities over which key management has control or significant influence were as follows:

	For the year ended December 31, 2025
	\$
Salaries	28,000
Consulting services	462,138
Share-based compensation	24,078,424
	<b>24,568,562</b>

As at December 31, 2025, \$51,822 (2024: \$Nil) is owed to key management and entities over which key management has control or significant influence. The amounts are related to salary and consulting services and are included in accounts payable and accrued liabilities.

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**10. RELATED PARTIES (CONTINUED)**

Effective June 4, 2025, the Company entered into an agreement with Evolve Funds Group Inc. (“Evolve”), whereby Evolve has committed to provide specific operational functions, as directed by BTCT, in exchange for an annual fee of up to 1% of the value of the Company’s treasury holdings, converted to Canadian dollars, and accrued daily. On November 8, 2025, the Company renegotiated the terms of the agreement, whereby the fee is calculated as the lower of 1% of the Company’s treasury holdings, or 1% of the Company’s market capital.

During the year ended December 31, 2025, the Company paid \$458,158 in administration fees to Evolve. As at December 31, 2025, \$50,149 is owed to Evolve under the terms of the agreement.

**11. MANAGEMENT OF CAPITAL**

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

**12. FAIR VALUE MEASUREMENTS**

As at December 31, 2025, the Company’s financial instruments consist of cash, accounts payable and accrued liabilities, digital currency, loaned, and convertible debentures. The Company’s cash and accounts payable and accrued liabilities are measured under amortized cost. As at December 31, 2025, the fair value of the Company’s cash and accounts payable and accrued liabilities approximates carrying value. The Company’s convertible debentures, digital currency, digital currency pledged as collateral and digital currency, loaned are measured at fair value.

Financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are categorized using the fair value hierarchy. This hierarchy groups financial instruments in Levels 1 to 3 based on the degree to which the fair value, for that instrument, is observable:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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**12. FAIR VALUE MEASUREMENTS (CONTINUED)**

The table below summarizes the Company's fair value measurement hierarchy for its assets and liabilities held at fair value.

December 31, 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Assets held at fair value				
Digital currency	29,093,309	-	-	29,093,309
Digital currency pledged as collateral	62,392,795	-	-	62,392,795
Digital currency, loaned	-	-	841,258	841,258
<b>Total assets held at fair value</b>	<b>91,486,104</b>	<b>-</b>	<b>841,258</b>	<b>92,327,362</b>
<b>Liabilities</b>				
Liabilities held at fair value				
Convertible debentures	-	-	18,487,921	18,487,921
<b>Total liabilities held at fair value</b>	<b>-</b>	<b>-</b>	<b>18,487,921</b>	<b>18,487,921</b>

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 during the year ended December 31, 2025. These financial instruments are measured at fair value utilizing non-observable market inputs. The net unrealized gain is recognized in the statements of loss and comprehensive loss.

	For the year ended December 31, 2025 \$	For the period from Incorporation on December 20, 2024 to December 31, 2024 \$
<b>Assets – Digital currency, loaned</b>		
Opening balance	-	-
Issuance	1,075,444	-
Lending income	3,592	-
Change in fair value recognized in profit or loss	(237,778)	-
Closing balance	841,258	-
<b>Liabilities – Convertible debentures</b>		
Opening balance	-	-
Issuance	(25,000,000)	-
Change in fair value recognized in profit or loss	6,512,079	-
Closing balance	(18,487,921)	-

Net change in unrealized gains on instruments still held at year-end was \$6,274,301.

Changes in the unobservable inputs may have an impact on the fair value of level three balance as follows:

	+2% from Baseline	-2% from Baseline
<b>Digital currency, loaned</b>		
Discount rate	\$(1,746)	\$1,835
<b>Convertible debenture inputs</b>		
Volatility	\$346,151	\$(413,100)
Market yield	\$(1,351,190)	\$1,533,230

For digital currency, loaned inputs, the discount rate is calibrated to counterparty credit rating of BBB based on management's internal model. For convertible debenture inputs, changes in volatility reflect Bitcoin price volatility as well as comparable peer capital structures. Market yield is calibrated to CCC-rated corporate bond yields.

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**13. RISK MANAGEMENT**

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adhere to market conditions. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included as applicable.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. As at December 31, 2025, the Company has sufficient funds and liquid assets to cover financial obligations. Included in total assets is \$62,392,795 in digital currency pledged as collateral against its convertible debentures as discussed in Note 8 and is therefore restricted in its use and cannot be used to meet other financial obligations that arise.

*Currency risk*

The Company's expenses are primarily denominated in Canadian dollars. The Company's corporate offices are based in Canada and current exposure to exchange rate fluctuations is minimal.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The fair value of the convertible debentures is influenced by market interest rates. As at December 31, 2025, management has assessed interest rate risk to be limited.

*Price risk*

Price risk is the risk of dispositions of investments at less-than-favourable prices due to unfavourable market conditions. The Company is exposed to significant price risk due to its holding of Bitcoin as its digital currency, digital currency, loaned, and its digital currency pledged as collateral. The value of Bitcoin has historically been very volatile and unpredictable. As at December 31, 2025, the Company has a total of \$92,323,919 in digital currency, digital currency, loaned and digital currency pledged as collateral on its statements of financial position. A precipitous drop in the price of Bitcoin that the Company holds or has loaned will adversely impact the Company's operations. A 20% decrease in the value of Bitcoin would impact the Company's comprehensive net loss by \$18,464,784.

*Credit risk*

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's primary exposure to credit risk arises from cash held with financial institutions and, beginning in the fourth quarter of 2025, from digital assets loaned to an institutional trading firm under a Bitcoin lending arrangement. The Company's exposure to credit risk in respect of the lending arrangement is limited to the risk that the borrower fails to return the Bitcoin and associated interest upon maturity of the loan. To mitigate this risk, the Company transacts only with an established institutional counterparty that management has assessed as creditworthy through an underwriting program. The Company continually monitors the borrower's credit profile, including financial statements, on an ongoing basis.

The Company is exposed to concentration risk as the digital asset lending arrangement is currently with a single counterparty. Accordingly, any deterioration in the financial condition or creditworthiness of this counterparty could have a significant impact on the Company's financial position and results of operations. Management monitors this concentration on an ongoing basis and evaluates opportunities to diversify counterparties where appropriate.

The maximum exposure to credit risk is limited to the carrying amounts of cash, interest receivable and digital assets loaned recognized in the statements of financial position.

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**14. INCOME TAXES**

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	<b>For the year ended December 31, 2025</b>	<b>For the period from Incorporation on December 20, 2024 to December 31, 2024</b>
	\$	\$
Loss before income taxes	(44,215,560)	-
Statutory income tax rate	26.5%	26.5%
Expected income tax recovery	(11,717,123)	-
Non-deductible items	6,588,341	-
Financing fees charge to equity	(1,371,098)	-
Change in unrecognized deferred income tax assets	6,499,880	-
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities.

	<b>For the year ended December 31, 2025</b>	<b>For the period from Incorporation on December 20, 2024 to December 31, 2024</b>
	\$	\$
Digital currency and digital currency pledged as collateral	5,462,882	-
Digital currency loan receivable	50,028	-
Share issuance costs	1,395,862	-
Convertible debentures	(1,725,701)	-
Non-capital losses	1,316,809	-
Net deferred income tax assets	6,499,880	-
Net deferred income tax assets not recognized	(6,499,880)	-
	-	-

As at December 31, 2025, the Company has non-capital loss carry forwards of \$4,969,090, factored into the calculation above, which can be applied to reduce future Canadian taxable income and will expire in 2045.

**15. SUBSEQUENT EVENTS**

Subsequent to year-end, the Company commenced an NCIB. The NCIB allows for the repurchase, for cancellation, up to 989,228 common shares of the Company, representing approximately 10% of the Company's public float. Through March 31, 2026, the Company has repurchased 227,600 common shares at an average price of \$4.454 per share, for total proceeds of \$1,049,551 and returned all repurchased common shares to treasury.

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**15. SUBSEQUENT EVENTS (CONTINUED)**

On February 9, 2026, the Company's digital currency loan receivable matured, and the Company received the principal balance of 7.00 BTC and 0.052 BTC in interest. The Company initiated an additional loan to the same US-based trading firm for an additional 50 BTC.

Subsequent to the end of the year, as of April 14, 2026, the price of Bitcoin was \$104,484 as compared to \$119,688, representing a 13% decline in the value of the assets. The subsequent decline in the price of Bitcoin represents a decrease in the value of digital currency, digital currency held as collateral and digital currency loans of \$11,728,000.