



RESEARCH UPDATE

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Market Statistics in USD

Price	\$ 0.45
52 week Range	\$0.36 - \$4.70
Daily Vol (3-mo. average)	2,309,157
Market Cap (M)	\$ 22.9
Enterprise Value (M)	\$ 6.9
Shares Outstanding: (M)	50.8
Float (M)	6.4

Financial Summary in USD

Cash (M)	\$ 28.4
Cash/Share	\$ 0.52
Debt (M)	\$ 12.4
Equity (M)	\$ 31.3
Equity/Share	\$ 0.57

Valuation in USD

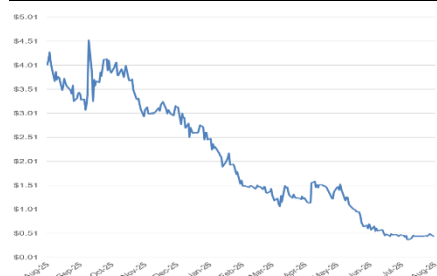
Valuation Range	\$3.94 - \$4.43
2027E Price Target	\$ 4.19

FYE: Dec	2025	2026E	2027E
<i>(all figures in M, expect per share information)</i>			

Rev	\$ 31.79	\$ 31.1	\$ 49.8
Chng%	34%	-2%	60%

EBITDA	\$ (17.21)	\$ (20.6)	\$ (18.0)
Net Income	\$ (69.6)	\$ (50.5)	\$ (22.4)
EPS	\$ (1.65)	\$ (0.98)	\$ (0.42)

EV/Revenue	6.3x	0.2x	0.1x
EV/EBITDA	-11.7x	-0.3x	-0.4x
P/E	N/A	-0.5x	-1.1x



COMPANY DESCRIPTION

Fold (NASDAQ: FLD) is the first publicly traded bitcoin financial services company, making it easy for individuals and businesses to earn, save, and use bitcoin. Fold is at the forefront of integrating bitcoin into everyday financial experiences. Through innovative products like the Fold App, Fold Credit Card™, Fold Bitcoin Gift Card™, and Fold Debit Card™, the Company is building the bridge between traditional finance and the bitcoin-powered future.

FOLD HOLDINGS INC. (NASDAQ: FLD)

Company Updates

Financial Results: Fold's 2Q26 remained pressured by the weaker bitcoin backdrop, but in our view, the forward setup improved as the company moved closer to scaling the Credit Card and broadened its strategy toward asset-based revenues. Revenue increased 8.9% q/q to \$6.1M, declined 25.5% y/y, and came in below \$7.7M consensus. Transaction volume fell to \$165M from \$172M in 1Q, while verified accounts increased to more than 87K. Merchant-offer revenue declined 36% y/y to \$4.8M, reflecting lower activity and portfolio optimization, partially offset by custody and trading revenue rising to \$0.8M, including \$0.7M from the Bitcoin Gift Card. Net loss was \$(9.7)M, while adj. EBITDA improved to \$(5.5)M from \$(5.8)M in 1Q. Operating expenses were \$13.9M, down 4% y/y; management has begun removing vendors and contractors tied to prior investment, which we believe should help shift the cost base toward scale.

Momentum and Execution: Fold's move beyond transaction-driven economics toward monetizing customer assets and deposits is the key development. The Lead Bank partnership and core ledger are intended to enable participation in deposit economics, earn yield on customer balances, and support broader rewards, creating a recurring revenue base less dependent on transaction activity. Management expects additional launches in coming weeks and is targeting customers beyond bitcoin-native users. Gift Card distribution expanded through TikTok Shop, while Kroger renewed its program; management highlighted post-redemption engagement and a differentiated TikTok customer profile.

Credit Card Rollout: In our view, Credit Card data supports a broader rollout. More than 2,000 cards are in early access, more than double last quarter, while the waitlist remains above 80K. Management noted transactions per user increase roughly 4x over the first several months of card use, spend per user is above internal projections, and interchange and lending economics are meeting or exceeding expectations; per-swipe economics are profitable. Revenue remains immaterial, but underwriting has been broadened for qualified customers. Fold is self-financing card receivables, with \$2.8M outstanding at quarter-end, and management identified additional financing partners as the primary constraint on faster scaling. Financing announcements are expected alongside the summer release.

Treasury & Capital Position: Fold improved balance-sheet flexibility by selling 632 BTC for \$44.7M, using \$20.0M to repay the Two Prime facility and retaining \$24.7M as unrestricted cash. Quarter-end cash increased to \$28.4M, while the investment treasury declined to 194 BTC valued at \$11.4M; no bitcoin remained pledged as collateral. Repayment removes nearly \$145K of monthly interest expense and gives Fold flexibility to fund product expansion. Separately, the company received a Nasdaq minimum-bid-price deficiency notice, and the Board authorized management to seek shareholder approval for a reverse stock split; the initial compliance period runs through January 11, 2027 by our estimation.

Valuation: We use an EV/Revenue analysis to guide our FLD valuation. Our blended EV/Revenue analysis arrives at a valuation range of \$3.94 to \$4.43 with a price target of \$4.19.

VALUATION

We value Fold using a comp analysis viewed through the lens of both an EV/Revenue analysis. We are not using EV/EBITDA as a primary metric yet but expect that as operating leverage continues to improve and profitability turns positive via the numerous growth initiatives, we will add EV/EBITDA as a formal cross-check. This keeps the focus on top-line scale.

Our comp set deliberately mixes Bitcoin/finance-native platforms with transaction & payments (T&P) processors. The BTC cohort captures Fold's core user base, brand authority, and balance-sheet optionality while the T&P cohort reflects the Company's trajectory as card, gift-card, and payments features deepen. Between the two comp sets, BTC-native peers carry the higher EV/Revenue multiple, though that forward multiple premium seems to become more balanced when we look at EV/EBITDA.

Company Name	Symbol	Price ⁽¹⁾	Mrkt Cap	EV	EV/Revenue ^(2,3)			EV/EBITDA ^(2,3)		
					2025	2026E	2027E	2025	2026E	2027E
Applied Digital Corporation	APLD	\$ 29.69	\$ 8,653.7	\$ 14,187.7	31.33x	21.14x	11.57x	108.7x	72.7x	22.2x
Bit Digital, Inc.	BTBT	\$ 1.35	\$ 477.1	\$ 910.0	5.56x	6.38x	3.11x	N/A	N/A	5.9x
Coinbase Global, Inc.	COIN	\$148.58	\$ 39,200.9	\$ 37,080.3	8.57x	6.92x	5.44x	35.3x	33.6x	14.6x
DMG Blockchain Solutions Inc.	DMGI	\$ 0.31	\$ 63.9	\$ 77.1	1.00x	3.71x	N/A	6.2x	N/A	N/A
Average					11.6x	9.5x	6.7x	50.0x	53.1x	14.2x
Median					7.1x	6.7x	5.4x	35.3x	53.1x	14.6x
Fiserv, Inc.	FI	NA	\$ 28,034.7	\$ 55,463.7	3.09x	2.83x	2.72x	7.4x	6.8x	6.5x
Global Payments Inc.	GPN	\$ 85.86	\$ 22,720.1	\$ 41,725.9	4.26x	3.38x	3.21x	9.5x	7.2x	6.7x
Mastercard Incorporated	MA	\$561.44	\$491,827.0	\$ 504,713.0	15.89x	13.55x	12.03x	25.4x	21.5x	19.0x
PayPal Holdings, Inc.	PYPL	\$ 59.00	\$ 50,472.2	\$ 53,437.2	1.69x	1.54x	1.48x	8.4x	7.9x	8.0x
Visa Inc.	V	\$362.82	\$665,994.6	\$ 676,574.6	15.84x	14.35x	13.03x	22.6x	20.3x	18.4x
WEX Inc.	WEX	\$189.06	\$ 6,443.5	\$ 5,699.1	2.37x	1.98x	1.95x	5.9x	4.6x	4.4x
Average					6.5x	6.3x	5.7x	13.2x	11.4x	10.5x
Median					3.1x	3.1x	3.0x	9.0x	7.6x	7.3x
Average					8.3x	7.6x	6.1x	25.5x	21.8x	11.7x
Median					4.3x	5.0x	3.2x	9.5x	14.1x	8.0x
Fold Holdings, Inc.	FLD	\$ 0.45	\$ 22.9	\$ 6.9	6.3x	0.2x	0.1x	-11.7x	-0.3x	-0.4x

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

Source: Company reports, CapitalIQ, Stonegate Capital Partners

When selecting a EV/Revenue multiple to apply to FLD we derive a blended rate from the two cohorts. To account for the early stage of FLD's credit card and other more traditional products we apply a very conservative 20% weighting to the selected T&P multiple, leaving a 80% weighting to the BTC multiple. We're comfortable assigning Fold a T&P Multiple in-line with comps given the white-space, product optionality, and faster growth. As revenue scales and the customer base expands beyond the crypto currency fluent early adopters, we expect the weighting to drift toward T&P.

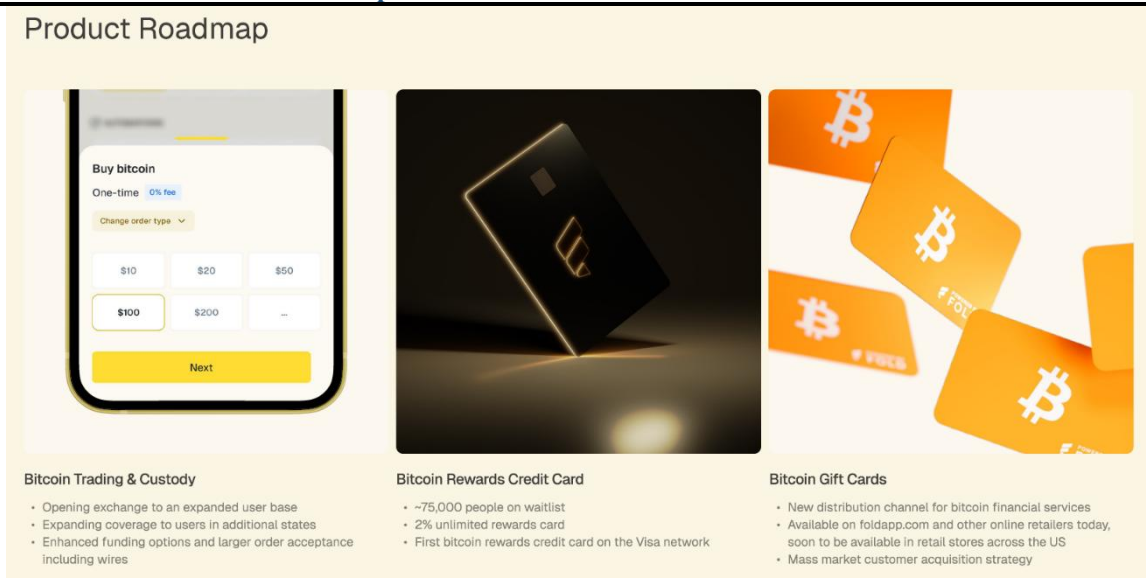
Currently FLD is trading at a 2027E EV/Revenue of 0.1x compared to comps at a combined median of 3.2x. We are using a blended EV/Revenue range of 3.7x to 4.2x with a midpoint of 4.0x. This arrives at a valuation range of \$3.94 to \$4.43 with a price target of \$4.19.

EV/Revenue			
BTC Multiple	4.00x	4.25x	4.50x
BTC Weight	80%	80%	80%
T&P Multiple	2.50x	2.75x	3.00x
T&P Weight	20%	20%	20%
2027E Blended	3.70x	3.95x	4.20x
Revenue	49.8	49.8	49.8
TEV	184.4	196.8	209.3
Cash	28.4	28.4	28.4
Debt	12.4	12.4	12.4
Mrkt Cap	200.3	212.8	225.2
S/O	50.8	50.8	50.8
Price	\$ 3.94	\$ 4.19	\$ 4.43

Business Overview

Fold Holdings, Inc. (NASDAQ: FLD) is a bitcoin-focused consumer financial services platform that integrates bitcoin into everyday financial behavior. The Company core strategy is simple: employ familiar products such as rewards, cards, custody, and trading to help mainstream consumers earn, save, and use bitcoin without the friction typically associated with crypto on-ramps. What originated as a rewards-led engagement engine has evolved into a large platform with custody and trading rails allowing for new distribution channels that expand access to bitcoin through a comprehensive suite of consumer financial services.

Exhibit 1: Fold – Product Roadmap



Source: Company Presentation

The product roadmap centers on two main distribution channels designed to scale adoption beyond the app's existing base. One channel includes a bitcoin-rewards credit card on the Visa network and the Fold Bitcoin Gift Card. The credit card is positioned to pair traditional credit economics with bitcoin rewards, creating a recurring-spend flywheel and a natural cross-sell into custody and trading. The gift card opens a mainstream opportunity for consumers who prefer online availability today and plan for broad retail distribution across the U.S., turning the well-understood gift-card category into a scalable customer acquisition channel for bitcoin exposure.

These channels are supported by platform capabilities designed to reduce friction and deepen engagement. Fold now supports exchange access across all 50 states and is focused on opening the exchange to non-Fold cardholders, while adding enhanced funding options and larger order support (including wires). Features like "Bitcoin Sends" let users move bitcoin to any wallet address, reinforcing Fold as a practical hub for everyday activity, not just speculation, and guiding users from casual earners to active participants.

Strategically, Fold operates with an explicit bitcoin-native treasury framework. Management evaluates capital deployment through a "sats-per-share" lens, favoring growth funded by operations and using external capital only when it increases the "satoshis" attributable to each share, aligned with product milestones and market conditions. The goal is to balance product investment with disciplined, accretive treasury management.

The Company is uniquely positioned at the intersection of consumer fintech and bitcoin adoption. Fold competes with cashback cards, neobanks, exchanges, and wallets, but differentiates through every day-spend use cases and reward-driven behavior change.

By meeting consumers where they already transact (cards, gifting, simple custody/trading) Fold addresses crypto-curious users who value simplicity and familiarity. Platform features and improved funding rails support deeper engagement and retention over time.

Near-term execution focuses on launching and scaling the credit card, expanding the gift card's retail footprint, broadening exchange access beyond Fold cardholders and enhancing funding options, and sharpening unit economics across interchange, spreads, and rewards liabilities. A pipeline of adjacent personal-finance features offers logical extensions of the platform. Successful delivery should lift the share of active, transacting users and diversify revenue beyond legacy rewards.

Segment Overview

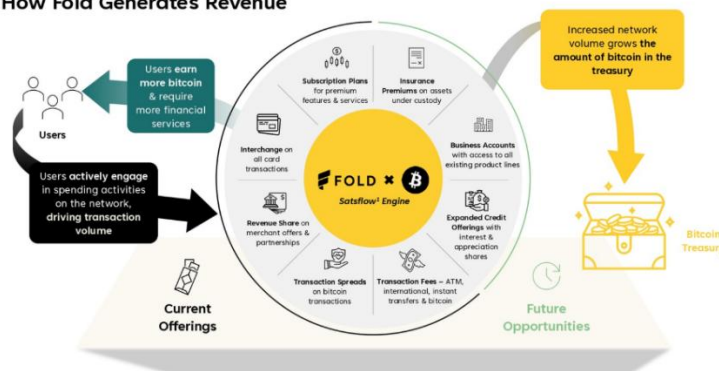
Rewards & Distribution (Credit Card + Bitcoin Gift Card):

Fold's distribution engine is built around two familiar entry points that meet consumers where they already spend. With the Fold Bitcoin Rewards Credit Card now live, the Company is moving beyond concept and into rollout, giving it a higher-frequency engagement product that can increase share of wallet, deepen retention, and improve cross-sell across the broader Fold ecosystem. Management has also suggested early demand has been strong and acquisition economics attractive, with the waitlist built largely through organic interest rather than heavy marketing spend. In parallel, the Fold Bitcoin Gift Card introduces first-time exposure through a purchase many consumers already understand, extending Fold's reach both online and through physical retail distribution. Partnerships like the one with Steak 'n Shake add another layer of awareness and onboarding. Together, the credit card and gift card broaden acquisition beyond performance marketing, create a cleaner handoff into the app, and strengthen Fold's ability to convert discovery into recurring spend, engagement, and monetization.

Beyond these distribution channels, Fold is expanding its banking infrastructure through its Lead Bank partnership and proprietary bank-grade core ledger. The strategy is intended to allow Fold to participate in customer deposit economics and support a broader financial platform, with customer balances expected to generate recurring economics over time. This expands the revenue opportunity beyond transaction activity while broadening the addressable market beyond bitcoin-native users.

Exhibit 2: Fold's Revenue Generation Model

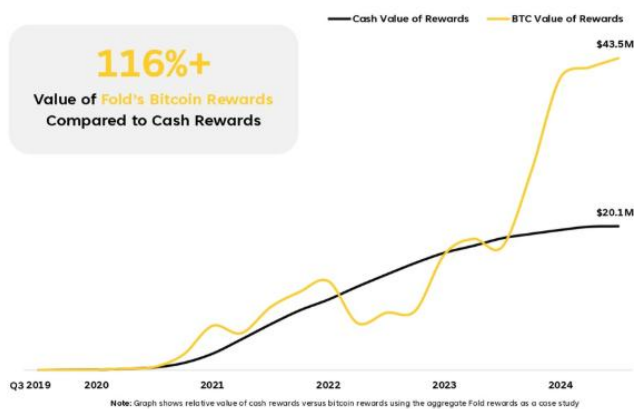
How Fold Generates Revenue



Source: Company Reports (2024)

Exhibit 3: Customer Benefits

Promoting Access to Value Appreciation for Fold's Customers



Source: Company Reports (2024)

Banking & Payments:

Banking & Payments serves as the day-to-day on-ramp into the Fold app and remains a key engagement layer within the ecosystem. Users interact through checking, a spend card, and a merchant rewards marketplace that accrues value in bitcoin rather than fiat, allowing customers to earn bitcoin passively through routine spending behavior. The Lead Bank partnership expands Fold's banking capabilities and enables participation in customer deposit economics, while the Company's core ledger provides the infrastructure for a broader financial platform. Card-linked offers and category-based rewards help encourage repeat usage and habit formation. The experience is intentionally familiar, which lowers friction for mainstream users and

Exhibit 4: Custody & Trading



Source: Company Presentation (2024)

helps Fold bring customers into bitcoin through everyday financial activity rather than requiring an immediate step into trading or higher-intent products. Over time, this recurring activity can build balances, increase comfort with the platform, and support migration into higher-value offerings such as exchange, rewards, and credit. In our view, Banking & Payments is important not just as an onboarding tool, but as the foundational layer that reinforces engagement, retention, and ecosystem stickiness over time.

Custody & Trading:

Custody & Trading is where users buy, store, and move bitcoin once they have entered through rewards or banking. Fold continues to expand access and improve functionality in ways that should reduce friction for higher-intent and higher-value users, including broader availability, larger order capabilities, and funding options that better support bigger transactions. Features such as Bitcoin Sends allow transfers to any wallet address, supporting both on-platform activity and self-custody preferences. Revenue is driven primarily by spreads and transaction fees, with insured custody supported by specialist partners. Strategically, we view this layer as important because it gives Fold a monetization path beyond passive rewards, while helping normalize bitcoin activity through a more accessible and familiar user experience. As convenience and functionality improve, engagement, trading activity, and monetization per active user should benefit over time.

Platform Infrastructure & Compliance:

Fold combines network rails, retail distribution, and risk systems with a state-by-state licensing strategy. This approach widens the addressable market while maintaining controls for KYC, fraud, and chargebacks. Phased geographic activation allows the Company to pace growth responsibly and tune onboarding flows, verification throughput, and funding success rates. The same infrastructure supports quicker introduction of new SKUs such as category boosts and merchant-specific offers. Partner connectivity with payment networks and distributors shortens the path from plan to placement on store shelves and in digital marketplaces. The net effect is a resilient funnel that scales while preserving program integrity.

Treasury & Capital Strategy:

Fold manages a corporate bitcoin treasury using a “sats-per-share” framework that ties capital decisions to shareholder alignment. External capital is considered when it increases the “satoshis” attributable to each share and accelerates product milestones.

The Company also has an equity purchase facility that provides flexibility to add bitcoin or speed up go-to-market initiatives such as licensing and distribution. This toolkit complements operating cash generation and

helps keep the brand's bitcoin-native stance credible to users and investors. Treasury transparency further supports Fold's positioning with a community that values asset alignment. In combination, these policies provide both strategic signaling and practical funding optionality.

Growth Drivers

- **Channel scale & conversion**

Fold's growth starts with reach, then turns that reach into verified, active users. The credit card converts a large, intent-rich waitlist into high-frequency spenders whose daily transactions create repeat engagement. In parallel, the bitcoin gift card captures broad retail traffic and seasonal demand, with redemption seamlessly funneling recipients into account creation. Because both channels live where consumers already transact, they reduce the need for heavy paid acquisition and lower blended CAC over time. As cohorts mature, cross-sell into custody and trading deepens monetization and improves LTV relative to pure rewards-only users.

- **Friction removal leads to higher ARPU**

Opening exchange access to non-Fold cardholders, enabling wire funding, and raising transaction limits remove practical barriers that keep higher-value customers on the sidelines. When users can fund quickly and place larger orders without workarounds, both ticket size and frequency tend to rise. Features that tighten the earn-buy-send loop reduce drop-off between steps and keep activity on-platform. Over time, these improvements translate into higher average revenue per active user and better conversion from registered to transacting cohorts. The compounding effect shows up as operating leverage as volumes scale against largely fixed platform costs.

- **Every day-spend habit formation**

Rewards are the behavioral engine that turns occasional interest into routine engagement. By paying in bitcoin rather than fiat cashback, Fold gives users exposure to an asset they value while preserving the familiar act of card spend. Even if near-term card margins compress after rewards, the trade-off is acceptable when it enlarges the pool of active users who later trade, custody, and redeem across the platform. Consistent accrual creates touchpoints for targeted boosts, merchant offers, and lifecycle messaging that curb churn. The outcome is a steadier, more predictable engagement curve than episodic trading alone.

- **Retail ubiquity of bitcoin gifting**

Gift-card placement at nationally recognized retailers extends Fold's presence to mainstream aisles and high-traffic digital marketplaces. Shoppers encounter a bitcoin product alongside everyday brands, which lowers cognitive load and encourages first-time purchases. Seasonal peaks amplify discovery, and every redemption requires an account—turning retail footfall into sign-ups with minimal friction. Channel economics typically improve in physical retail, which can enhance contribution margins as distribution widens. Over time, this creates a durable, brand-accretive acquisition flywheel that complements the card program.

- **Brand-treasury flywheel**

A clear sats-per-share framework signals that treasury decisions serve long-term holders and users who care about bitcoin alignment. The ability to lean on a flexible equity facility during favorable market windows adds optionality to fund product milestones without overreliance on operating cash. Transparent treasury actions also reinforce Fold's identity with bitcoin-native audiences, strengthening

word-of-mouth and community advocacy. This credibility helps differentiate the platform from generic rewards programs that merely “add crypto.” In concert, capital discipline and brand alignment support stickier cohorts and smoother execution.

- **Partnership leverage**

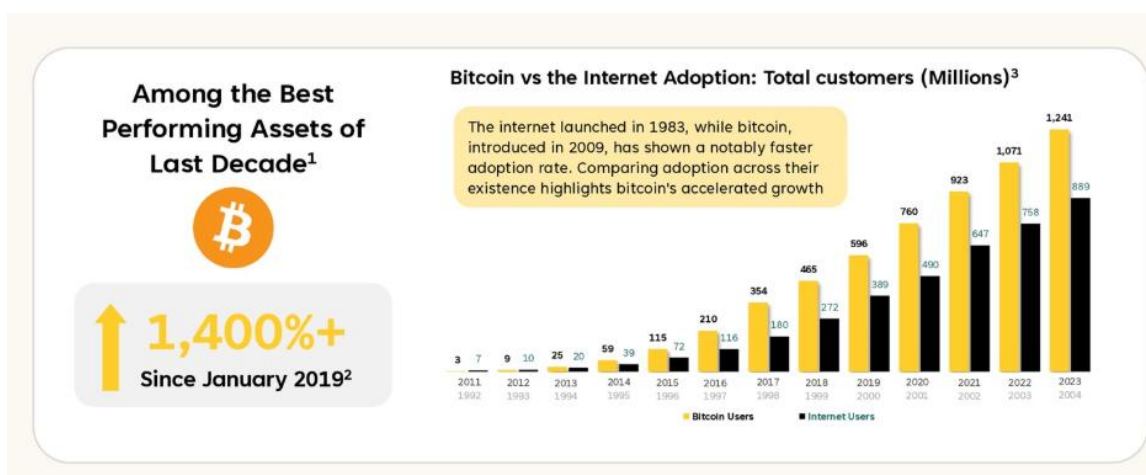
Working with established networks, processors, and retail distributors compresses time-to-market and reduces execution risk. These partners provide compliance scaffolding, program reliability, and access to scaled distribution that would be costly to replicate in-house. They also enable faster iteration on rewards constructs, category boosts, and placements as data informs what resonates. As placements expand, partner co-marketing and sales motions can further amplify reach. The result is a more capital-efficient growth path with institutional-grade rails.

- **Regulatory expansion**

Fold now supports exchange access across all 50 states, broadening its addressable market while maintaining the KYC/AML and compliance infrastructure needed to support platform growth. As Fold opens the exchange to non-Fold cardholders and adds enhanced funding options, these capabilities should remain important in supporting larger balances and broader relationships across banking and payments.

Market Overview

Exhibit 5: Fold – Bitcoin Adoption



Source: Company Presentation (2024)

Bitcoin & Crypto Backdrop

Bitcoin’s market capitalization has been hovering in the multi-trillion-dollar band in 2025, with elevated mainstream awareness and a steadily rising global crypto user base (hundreds of millions). This creates a large pool of “crypto-curious” consumers who prefer familiar financial interfaces and regulated rails. Products that embed bitcoin into everyday behaviors such as spending, gifting, saving are structurally advantaged versus pure trading venues because they convert ambient interest into repeatable actions. Fold’s approach

sits uniquely in this secular shift. It lets the Company meet users in familiar channels, hide the complexity, and let BTC accumulate quietly in the background of everyday life.

U.S. Credit Cards & Rewards

The U.S. card market is massive, rewards-driven, and intensely competitive, with rewards a principal vector for acquisition/retention. For a bitcoin-rewards card, the addressable opportunity is to substitute fiat cashback with BTC rewards for users who want upside exposure without changing spending patterns. Interchange economics plus cardholder-engagement features (category boosts, merchant rewards) underpin unit economics, while Visa/Stripe stack reduces operational complexity. Over time, category-specific boosts (e.g., travel, dining) and on-platform behaviors (buy, send, custody) can raise earn velocity and deepen attachment.

Gift Cards & Stored Value

The gift-card category remains a trillion-dollar-scale market globally and a dominant consumer habit (gifting, rewards, self-use). Digital distribution is growing fast, aided by marketplaces and retailer e-comm. By introducing a bitcoin-denominated gift card through Giftcards.com and BHN's network, Fold repurposes an existing, high-velocity channel as a crypto on-ramp. The category's seasonality (Q4 peaks), ubiquitous placement, and low cognitive load (familiar checkout) make it a compelling acquisition lever for crypto exposure.

Crypto On-Ramps, Wallets, and Neobanks

Fold competes at the seams between exchanges (trade-first), wallets (self-custody), and neobanks (fiat-first). The differentiation is behavioral: Fold's first touch is spend/gift, not "open an exchange account and trade." Custody/trading then acts as a utility layer rather than the destination. This sequencing reduces user intimidation, aligns with mainstream habits, and can yield steadier engagement than speculative trading cycles. As the platform broadens state coverage and funding options (e.g., wires), Fold increases its relevance for higher-value users who want both convenience and interoperability.

Regulatory & Partner Ecosystem

U.S. digital-asset rules continue to evolve unevenly across states. Firms that can navigate licensing, program management, and partner compliance earn a distribution advantage. Fold's approach—working with established networks (Visa), processors/issuers (Stripe), and retail aggregators (BHN)—is purpose-built for scalability within these constraints, shifting the challenge from "can we launch?" to "how fast can we expand SKU coverage and geography?"

Implications for TAM

Fold's serviceable opportunity is the overlap of (a) mainstream U.S. cardholders drawn to high-frequency rewards, (b) gift-card buyers (gifts and self-use) reachable through BHN/marketplaces, and (c) crypto-curious users who want simple, regulated, interoperable bitcoin access. As these circles converge—and as feature work like Bitcoin Sends and large-order funding reduces friction—the attach into custody/trading should rise, expanding ARPU and lifetime value.

Risks

- **Limited operating/earnings history.** Negative EBITDA and a short public track record increase forecast uncertainty and execution risk. Visibility on the path to sustained profitability is limited, and small variances in growth or cost can disproportionately affect outcomes.
- **BTC exposure & volatility.** Treasury and rewards are tied to Bitcoin, creating mark-to-market swings that influence sentiment, EV/BTC NAV, and user engagement. A sharp BTC drawdown could dampen spend and growth just as funding costs rise.
- **Regulatory & accounting change.** Evolving crypto, payments, AML/KYC, privacy, and custody standards can add cost, delay launches, or restrict certain revenue streams. Accounting treatment (e.g., fair-value measurements and incentives) may remain fluid, raising disclosure complexity and restatement risk.
- **Technology, security & data.** Reliable scaling, uptime, and secure custody are mission-critical; outages, bugs, or breaches could impair trust and slow adoption. As products expand, the attack surface and compliance overhead (e.g., SOC, PCI) increase.
- **Partner & network dependencies.** Reliance on issuer banks, card networks, processors, and KYC vendors introduces counterparty and contract risk. Rule or pricing changes (e.g., interchange adjustments, BIN sponsorship shifts) could compress economics or force program changes.
- **Adoption, competition & CAC.** Fold must extend beyond early adopters amid competition from crypto apps, exchanges, neobanks, and large payments networks. Higher customer acquisition costs or weaker retention would delay operating leverage and weigh on valuation.
- **Unit economics & liquidity.** Rewards intensity, network fees, and BTC dynamics must balance against interchange and other take-rates to protect contribution margins. While EBITDA is negative, external capital needs may persist, creating dilution and covenant risks.
- **Macro/model sensitivity.** Consumer softness, higher rates, or risk-off markets can pressure volumes and peer multiples. Revenue-based and EV/BTC NAV frameworks can diverge in stress, widening the valuation range and raising uncertainty.

BALANCE SHEET

Fold Holdings, Inc.

Consolidated Balance Sheets (\$M)

Fiscal Year End: December

ASSETS	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26
Cash and cash equivalents	18.3	11.7	6.6	6.7	7.7	7.7	11.5	28.4
Accounts receivable, net	0.5	0.9	0.7	0.3	0.7	0.7	0.5	0.6
Inventories	0.3	0.4	0.3	0.4	0.5	0.5	0.5	0.8
Digital assets - rewards treasury	8.6	7.4	9.4	9.3	6.9	6.9	5.3	4.5
Prepaid expenses and other current assets	0.7	4.0	3.6	2.5	2.4	2.4	2.2	1.9
Other	-	-	-	-	-	-	-	2.8
Total Current Assets	28.3	24.4	20.7	19.1	18.1	18.1	20.0	39.0
Digital assets - investment treasury	93.6	123.0	159.9	170.4	133.7	133.7	56.4	11.4
Capitalized software development costs, net	1.0	1.2	1.2	1.2	1.4	1.4	1.7	2.0
Deferred transaction costs	2.8	-	-	-	-	-	-	-
Other	-	-	0.4	0.3	0.3	0.3	0.3	0.1
Total Assets	125.7	148.5	182.1	191.0	153.5	153.5	78.3	52.5
LIABILITIES AND SHAREHOLDERS' EQUITY								
Accounts payable	1.1	1.5	1.3	1.1	0.7	0.7	1.7	0.7
Accrued expenses and other current liabilities	0.1	1.9	1.9	2.2	3.2	3.2	2.6	2.0
Convertible note, net	11.8	-	-	-	-	-	-	-
Feb 2026 Note	-	-	-	-	-	-	12.2	12.4
Credit Facility	-	-	-	-	10.0	10.0	20.0	-
Customer rewards liability	8.6	7.4	9.4	9.3	6.9	6.9	5.3	4.5
Accrued legal settlement	-	-	-	-	-	-	-	1.4
Deferred revenue	0.4	0.4	0.3	0.4	0.4	0.4	0.3	0.2
Total Current Liabilities	21.9	11.1	12.9	13.0	21.1	21.1	42.0	21.2
Deferred revenue, long-term	0.5	0.5	0.5	0.4	-	-	-	-
Convertible note, net	-	12.3	21.8	21.6	21.5	21.5	-	-
Convertible note - related party	-	52.8	58.1	60.8	47.2	47.2	-	-
Simple Agreements for Future Equity ("SAFEs")	171.1	-	-	-	-	-	-	-
Other Non-current Liabilities	-	-	0.3	0.5	0.7	0.7	-	-
Total Liabilities	193.5	76.7	93.6	96.3	90.5	90.5	42.0	21.2
Preferred stock	0.0	-	-	-	-	-	-	-
Common Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in-capital	33.5	222.1	225.3	230.9	233.9	233.9	236.5	241.0
Accumulated deficit	(101.3)	(150.2)	(136.8)	(136.2)	(170.9)	(170.9)	(200.1)	(209.8)
Total Parent Net Equity	(67.8)	71.9	88.5	94.7	63.0	63.0	36.4	31.3
Minority interest	-	-	-	-	-	-	-	-
Total Consolidated Equity	(67.8)	71.9	88.5	94.7	63.0	63.0	36.4	31.3
Total Liabilities and Shareholders' Equity	125.7	148.5	182.1	191.0	153.5	153.5	78.3	52.5

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Fold Holdings, Inc.

Consolidated Statements of Income (in USD\$ M, except per share amounts)

Fiscal Year End: December

	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Revenue	\$ 23.8	\$ 7.1	\$ 8.2	\$ 7.4	\$ 9.1	\$ 31.8	\$ 5.6	\$ 6.1	\$ 8.1	\$ 11.3	\$ 31.1	\$ 11.9	\$ 12.2	\$ 12.6	\$ 13.1	\$ 49.8
Total Revenues	23.8	7.1	8.2	7.4	9.1	31.8	5.6	6.1	8.1	11.3	31.1	11.9	12.2	12.6	13.1	49.8
Banking and payment costs	22.5	6.8	7.7	6.5	7.7	28.7	4.8	5.1	6.9	9.6	26.4	10.1	10.4	10.8	11.1	42.4
Custody and trading costs	0.2	0.0	0.1	0.2	0.6	1.0	0.6	0.7	0.7	0.9	2.9	1.0	1.0	1.0	1.0	4.0
Compensation and benefits	3.2	6.5	3.7	3.7	3.8	17.7	4.0	3.8	4.0	4.0	15.8	4.0	4.0	4.0	4.0	16.0
Marketing expenses	0.5	0.4	0.6	0.2	0.5	1.7	0.3	0.7	0.6	0.5	2.1	0.5	0.5	0.5	0.5	2.0
Professional fees	1.9	1.8	1.3	1.3	1.1	5.4	1.7	1.3	1.5	1.5	5.9	1.5	1.5	1.5	1.5	6.0
Amortization expense	0.3	0.1	0.1	0.2	0.1	0.6	0.2	0.2	0.2	0.2	0.6	0.2	0.2	0.2	0.2	0.6
(Gain) loss on customer rewards liability	5.2	(1.1)	2.1	0.5	(2.3)	(0.8)	(1.5)	(0.7)	(0.5)	(0.5)	(3.3)	(0.5)	(0.5)	(0.5)	(0.5)	(2.0)
(Gain) loss on digital assets - rewards treasury	(5.6)	1.0	(2.3)	(0.6)	2.4	0.4	1.7	1.1	(1.0)	(1.0)	0.8	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
Other SG&A expenses	1.4	1.1	1.3	1.2	1.3	4.9	1.7	1.7	1.4	1.4	6.2	1.3	1.4	1.4	1.4	5.5
Total Operating Expenses	29.6	16.6	14.5	13.3	15.1	59.5	13.4	13.9	13.7	16.6	57.6	17.0	17.3	17.8	18.2	70.4
Operating Income	(5.8)	(9.5)	(6.3)	(5.9)	(6.0)	(27.7)	(7.8)	(7.8)	(5.6)	(5.3)	(26.4)	(5.2)	(5.2)	(5.1)	(5.1)	(20.6)
Loss on digital assets - investment treasury	29.2	(15.6)	36.6	10.2	(40.4)	(9.2)	(28.6)	0.1	-	-	(28.5)	-	-	-	-	-
Change in fair value of SAFEs	(88.4)	(6.5)	-	-	(0.7)	(7.2)	-	-	-	-	-	-	-	-	-	-
Change in fair value of convertible note	-	(6.5)	(5.3)	(2.6)	13.5	(0.9)	13.2	-	-	-	13.2	-	-	-	-	-
Convertible note issuance costs and fes	-	(9.6)	-	-	-	(9.6)	-	(1.4)	-	-	(1.4)	-	-	-	-	-
Loss on extinguishment of debt	-	-	(9.6)	-	-	(9.6)	(4.0)	-	-	-	(4.0)	-	-	-	-	-
Interest expense	(0.2)	(1.3)	(2.0)	(1.2)	(1.3)	(5.7)	(2.3)	(0.9)	(0.5)	(0.5)	(4.1)	(0.5)	(0.5)	(0.5)	(0.5)	(1.8)
Other income	0.1	0.1	0.1	0.1	0.1	0.4	0.4	0.3	-	-	0.7	-	-	-	-	-
Other income (expense), net	(65.1)	(48.9)	13.4	0.6	(34.7)	(69.6)	(29.2)	(9.7)	(6.0)	(5.7)	(50.5)	(5.6)	(5.6)	(5.6)	(5.6)	(22.4)
Income tax expense	0.0	0.0	0.0	(0.0)	(0.0)	0.0	0.0	-	-	-	0.0	-	-	-	-	-
Net Income	(65.1)	(48.9)	13.4	0.6	(34.7)	(69.6)	(29.2)	(9.7)	(6.0)	(5.7)	(50.5)	(5.6)	(5.6)	(5.6)	(5.6)	(22.4)
Basic EPS	\$ (11.15)	\$ (1.92)	\$ 0.29	\$ 0.01	\$ (0.82)	\$ (1.65)	\$ (0.59)	\$ (0.19)	\$ (0.11)	\$ (0.11)	\$ (0.98)	\$ (0.11)	\$ (0.11)	\$ (0.11)	\$ (0.11)	\$ (0.42)
Diluted EPS	\$ (11.15)	\$ (1.92)	\$ 0.28	\$ 0.01	\$ (0.82)	\$ (1.65)	\$ (0.59)	\$ (0.19)	\$ (0.11)	\$ (0.11)	\$ (0.98)	\$ (0.11)	\$ (0.11)	\$ (0.11)	\$ (0.11)	\$ (0.42)
WTD Shares Out - Basic	5.8	25.4	46.5	46.9	42.2	42.2	49.7	51.8	52.3	52.9	51.7	52.9	52.9	52.9	52.9	52.9
WTD Shares Out - Diluted	5.8	25.4	47.6	46.9	42.2	42.2	49.7	51.8	52.3	52.9	51.7	52.9	52.9	52.9	52.9	52.9
Adjusted EBITDA	\$ (6.3)	\$ (4.2)	\$ (4.7)	\$ (4.2)	\$ (4.1)	\$ (17.2)	\$ (5.8)	\$ (5.5)	\$ (4.8)	\$ (4.6)	\$ (20.6)	\$ (4.5)	\$ (4.5)	\$ (4.5)	\$ (4.5)	\$ (18.0)

Margin Analysis

Operating Margin	-24.5%	-134.0%	-77.4%	-80.3%	-65.3%	-87.2%	-140.0%	-127.6%	-68.4%	-46.5%	-84.9%	-43.4%	-42.3%	-40.7%	-39.1%	-41.3%
EBITDA Margin	-26.6%	-59.4%	-57.4%	-56.8%	-45.0%	-54.1%	-102.8%	-89.7%	-59.1%	-40.7%	-66.3%	-38.0%	-37.0%	-35.5%	-34.2%	-36.1%
Pre-Tax Margin	-274.0%	-689.6%	164.2%	7.5%	-380.0%	-218.9%	-521.5%	-158.5%	-73.9%	-50.4%	-162.3%	-47.2%	-46.0%	-44.2%	-42.6%	-44.9%
Net Income Margin	-274.0%	-689.6%	164.2%	7.5%	-379.9%	-218.9%	-521.6%	-158.5%	-73.9%	-50.4%	-162.3%	-47.2%	-46.0%	-44.2%	-42.6%	-44.9%
Tax Rate	0.0%	0.0%	0.0%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Growth Rate Y/Y

Total Revenue	43.7%	59.1%	41.2%	8.2%	33.9%	-21.1%	-25.5%	9.9%	23.9%	-2.1%	112.5%	100.0%	55.5%	15.9%	60.0%
Total cost of revenues	186.7%	129.2%	41.7%	87.7%	101.3%	-19.1%	-4.4%	2.7%	9.8%	-3.3%	27.0%	25.1%	29.9%	10.1%	22.4%
Operating Income	1011.5%	432.0%	42.5%	-1595.1%	377.0%	-17.6%	22.8%	-6.4%	-11.9%	-4.7%	-34.1%	-33.6%	-7.5%	-2.4%	-22.1%
Pre-Tax Income	5116.5%	-678.8%	-100.9%	-7339.6%	6.9%	-40.3%	-171.9%	-1186.2%	-83.5%	-27.4%	-80.8%	-41.9%	-6.9%	-2.2%	-55.7%
Net Income	5072.2%	-678.8%	-100.9%	-7232.4%	6.9%	-40.3%	-171.9%	-1184.5%	-83.5%	-27.4%	-80.8%	-41.9%	-6.9%	-2.2%	-55.7%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

Fold Holdings, Inc.

Consolidated Cash Flow Statements (\$M)

Fiscal Year End: December

CASH FLOW	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26
Operating Activities							
Net loss	(48.9)	13.4	0.6	(34.7)	(69.6)	(29.2)	(9.7)
Amortization expense	0.1	0.1	0.2	0.1	0.6	0.2	0.2
Loss (gain) on digital assets - rewards treasury	1.0	(2.3)	(0.6)	2.4	0.4	1.7	1.1
Loss on digital assets - investment treasury	15.6	(36.6)	(10.2)	40.4	9.2	28.6	(0.1)
(Gain) loss on customer rewards liability	(1.1)	2.1	0.5	(2.3)	(0.8)	(1.5)	(0.7)
Change in fair value of convertible note	6.5	5.3	2.6	(13.5)	0.9	(13.2)	-
Convertible note issuance costs and fees	9.6	-	-	-	9.6	-	-
Loss on extinguishment of debt	-	0.4	(0.2)	(0.3)	(0.0)	4.0	0.3
Amortization of debt issuance costs	-	-	-	0.7	0.7	0.0	-
Amortization of debt discount	-	0.4	(0.2)	(0.3)	(0.0)	4.0	0.3
Change in fair value of SAFEs	-	-	-	0.7	0.7	0.0	-
Share-based compensation expense	5.2	1.7	1.6	1.5	10.0	1.7	1.7
Other	-	-	-	-	-	(0.3)	(0.2)
Cash flow from operating activities before working capital changes	(5.0)	(6.1)	(5.6)	(5.6)	(22.2)	(8.1)	(7.5)
Accounts receivable, net	(0.5)	0.2	0.4	(0.4)	(0.3)	0.2	(0.1)
Inventories	(0.1)	0.1	(0.0)	(0.1)	(0.2)	0.0	(0.4)
Prepaid expenses and other current assets	(1.0)	0.4	1.2	0.1	0.7	(0.0)	0.3
Accounts payable	0.4	(0.2)	(0.3)	(0.3)	(0.4)	0.9	(1.0)
Accrued expenses and other current liabilities	0.7	0.7	1.0	1.4	3.8	0.8	0.2
Customer reward liability	0.6	0.7	0.5	0.6	2.4	0.3	0.4
Deferred revenue	(0.0)	(0.1)	0.1	(0.5)	(0.5)	(0.1)	(0.1)
Other Non-current Liabilities	-	0.3	0.2	0.2	0.7	(0.7)	(1.4)
Cash flow generated/(absorbed) from operating Activities	(5.0)	(4.0)	(2.5)	(4.7)	(16.1)	(6.6)	(9.5)
Investing Activities							
Purchases of digital assets	(1.6)	(0.8)	(0.8)	(4.9)	(8.0)	(0.7)	(1.0)
Proceeds from sales of digital assets	-	-	-	-	-	14.4	44.7
Payments for capitalized software development costs	(0.3)	(0.2)	(0.2)	(0.3)	(1.0)	(0.5)	(0.3)
Cash flow generated by Investing Activities	(1.8)	(1.0)	(0.9)	(5.2)	(9.0)	13.2	43.4
Financing Activities							
Procceds from recapitalization	0.8	0.0	(0.0)	-	0.8	-	-
Proceeds from issuance of Note	-	-	-	-	-	13.0	-
Repayment of Convertible Note	-	-	-	-	-	(25.2)	-
Payments of deferred IPO costs	(0.7)	-	-	-	(0.7)	-	-
Procceds received from SAFE financings	-	-	-	-	-	-	-
Payment of debt issuance costs	-	(0.1)	-	-	(0.1)	-	-
Proceeds from issuance of common stock	-	-	3.5	0.9	4.4	0.4	2.9
Proceeds from credit facility	-	-	-	10.0	10.0	10.0	-
Other	-	-	-	-	-	(0.9)	(20.0)
Cash flow generated/(absorbed) by financing Activities	0.2	(0.1)	3.5	10.9	14.4	(2.7)	(17.1)
Net Cash flow in the year	(6.6)	(5.1)	0.0	1.0	(10.7)	3.9	16.9
Cash and Cash Equivalents							
Beginning Cash balance	18.3	11.7	6.6	6.7	18.3	7.7	11.5
Ending Cash balance	11.7	6.6	6.7	7.7	7.7	11.5	28.4

Source: Company Reports, Stonegate Capital Partners

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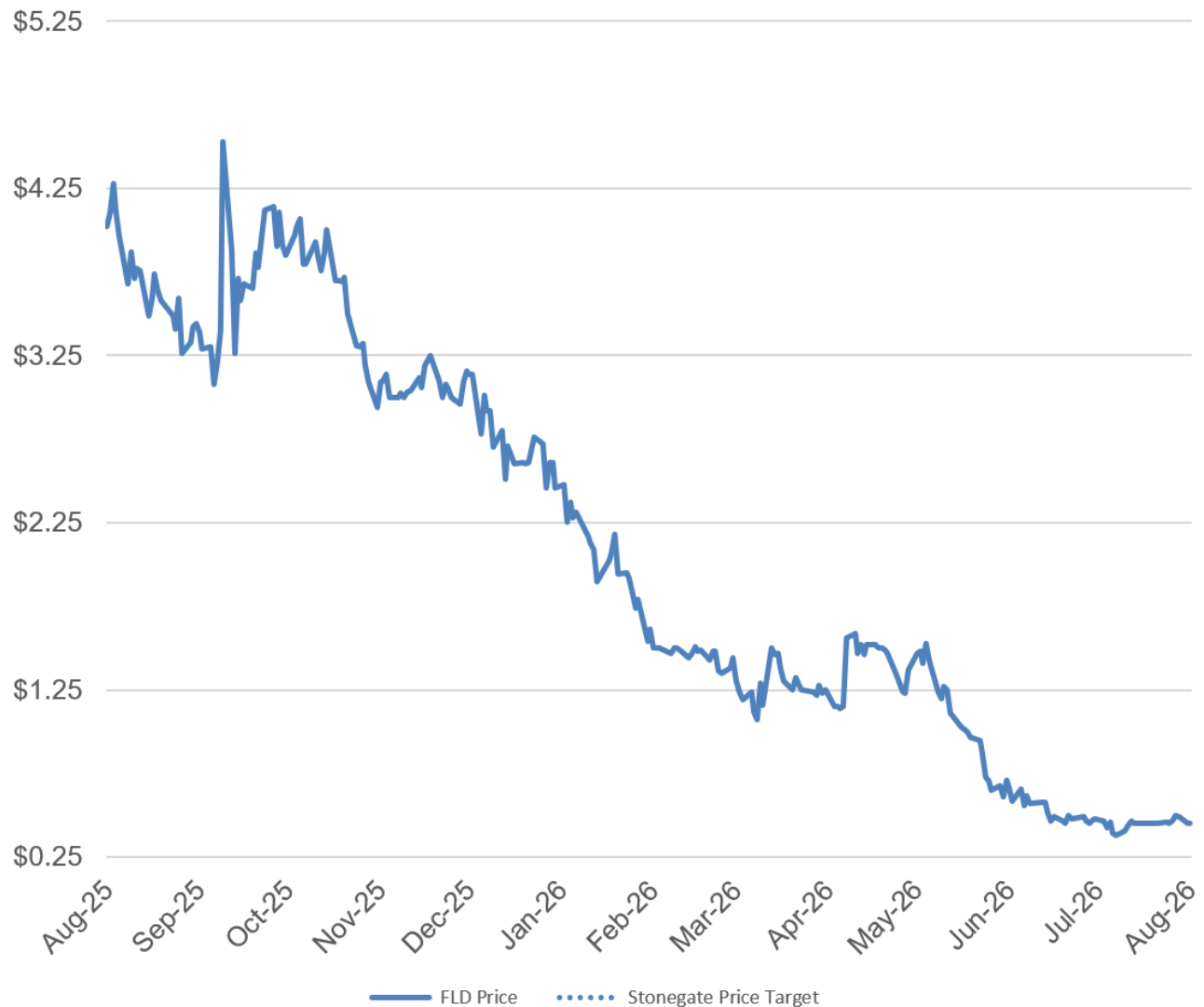
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