RESEARCH UPDATE

FOLD HOLDINGS INC. (NASDAQ: FLD)

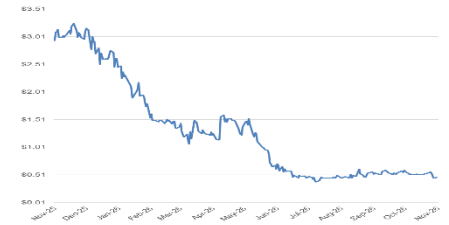
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Market Statistics in USD	
Price	$ 0.44
52 week Range	$0.36 - $3.35
Daily Vol (3-mo. average)	292,628
Market Cap (M)	$ 24.2
Enterprise Value (M)	$ 15.2
Shares Outstanding: (M)	55.1
Float (M)	9.4

Financial Summary in USD	
Cash (M)	$ 21.7
Cash/Share	$ 0.39
Debt (M)	$ 12.7
Equity (M)	$ 30.5
Equity/Share	$ 0.55

Valuation in USD	
Valuation Range	$2.08 - $2.36
2027E Price Target	$ 2.22

FYE: Dec	2025	2026E	2027E
(all figures in M, except per share information)			
Rev	$ 31.79	$ 21.9	$ 31.1
Chng%	34%	-31%	42%
EBITDA	$ (17.21)	$ (20.0)	$ (15.6)
Net Income	$ (69.6)	$ (47.9)	$ (24.1)
EPS	$ (1.65)	$ (0.90)	$ (0.42)
EV/Revenue	6.3x	0.7x	0.5x
EV/EBITDA	-11.7x	-0.8x	-1.0x
P/E	N/A	-0.5x	-1.0x



COMPANY DESCRIPTION

Fold (NASDAQ: FLD) is the first publicly traded bitcoin financial services company, offering consumers tools to save, spend and earn rewards in both USD and bitcoin. Its platform includes Lead Bank spending accounts, Fold Reserve, credit and debit cards, bill payments, Bitcoin Gift Cards, merchant offers, and bitcoin trading and custody. Fold earns revenues through transaction activity and customer balances, broadening its offering beyond bitcoin rewards toward everyday financial services.

Company Updates

Financial Results: Fold's revenue transition is taking shape, with cost initiatives supporting the sequential improvement in adj. EBITDA. The launch of Fold Reserve and Lead Bank spending accounts allows Fold to earn recurring revenue from customer balances. Fold Reserve launched in October 2026, with management expecting increased Reserve revenue contributions beginning in 4Q26. Revenue fell 32% q/q to $4.2M from $6.1M in 2Q, while transaction volume slipped to $159M from $165M. Merchant-offer revenue declined to $2.4M from $6.6M a year ago on softer activity and portfolio optimization. These sales are recorded gross, and associated costs fell nearly proportionately, limiting the earnings impact. Adj. EBITDA improved to $(4.5)M from $(5.5)M in 2Q, versus $(4.2)M a year ago. Operating expenses fell 21% y/y to $10.5M. A $4.1M investment-treasury gain helped to improve net loss to $(2.6)M.

Momentum and Execution: Customer balances offer a path beyond transaction-driven growth. Thousands of customers activated Fold Reserve and Lead Bank spending accounts, bringing millions in balances. Reserve customers hold several times the average user's balance, expanding what Fold can monetize through yield and use to fund rewards intended to deepen engagement. Custody and trading revenue rose approximately 270% y/y to $1.3M, including $1.2M from Bitcoin Gift Cards, as TikTok Shop became the largest gift-card and customer-acquisition channel. Management describes the gift-card program as largely cost neutral. In our view, its longer-term value lies in converting acquired customers into broader platform users. Consolidating merchant offers onto Blackhawk improves economics, with nearly all temporarily unavailable merchants restored.

Credit Card Rollout: Credit Card expansion still awaits external financing. Early access reached approximately 2,500 cardholders, the current phase's target, while net receivables increased to $4.0M from $2.8M in 2Q. Fold continues funding the program from its own balance sheet. Management expects a financing partner announcement shortly and is prioritizing terms that protect card economics. External capital would support more invitations, higher limits and marketing, while planned pre-approval outside the app should widen distribution. Management expects increased card revenue contributions beginning in 4Q26, making funding terms and rollout pace central to the earnings trajectory.

Treasury & Capital Position: Financing flexibility improved even as cash declined to $21.7M from $28.4M in 2Q. Fold held 171 investment-treasury BTC worth $14.3M. The $13M note now matures in November 2027, with an optional extension through November 2028 and $12M of additional uncommitted capacity. A $25M committed equity facility replaced the $250M line and was first used in October. Shareholders authorized a reverse split ahead of the January 11, 2027 Nasdaq compliance deadline. We believe balance retention, card financing terms and adoption across products will determine how quickly the broader platform translates into improved operating results.

Valuation: We use an EV/Revenue analysis to guide our FLD valuation. Our blended EV/Revenue analysis arrives at a valuation range of $2.08 to $2.36 with a price target of $2.22.

VALUATION

We value Fold using a comp analysis viewed through the lens of 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.

					EV/Revenue [2, 3]			EV/EBITDA [2, 3]		
Company Name	Symbol	Price [1]	Mrkt Cap	EV	2025	2026E	2027E	2025	2026E	2027E
Applied Digital Corporation	APLD	$ 16.68	$ 5,043.8	$ 10,775.2	22.19x	12.17x	8.35x	274.0x	51.0x	16.2x
Bit Digital, Inc.	BTBT	$ 0.73	$ 263.4	$ 781.6	5.56x	5.22x	2.57x	N/A	N/A	4.5x
Coinbase Global, Inc.	COIN	$132.13	$ 34,983.2	$ 33,048.0	8.57x	6.39x	5.03x	35.3x	28.7x	14.9x
DMG Blockchain Solutions Inc.	DMGI	$ 0.26	$ 53.4	$ 65.2	1.00x	3.13x	N/A	6.2x	N/A	N/A
				Average	**9.3x**	**6.7x**	**5.3x**	**105.2x**	**39.9x**	**11.8x**
				Median	**7.1x**	**5.8x**	**5.0x**	**35.3x**	**39.9x**	**14.9x**
Fiserv, Inc.	FI	NA	$ 33,689.3	$ 60,442.3	3.09x	3.10x	2.99x	7.4x	7.4x	7.1x
Global Payments Inc.	GPN	$101.59	$ 26,884.4	$ 45,855.5	4.26x	3.71x	3.53x	9.5x	7.9x	7.4x
Mastercard Incorporated	MA	$658.84	$573,965.7	$ 587,369.7	15.89x	15.72x	13.96x	25.4x	24.9x	21.9x
PayPal Holdings, Inc.	PYPL	$ 58.78	$ 48,826.1	$ 52,797.1	1.69x	1.53x	1.47x	8.4x	7.6x	7.9x
Visa Inc.	V	$423.00	$797,906.2	$ 807,285.2	16.36x	17.10x	15.42x	23.4x	24.2x	21.8x
WEX Inc.	WEX	$180.51	$ 5,932.3	$ 5,986.6	2.37x	2.01x	1.96x	5.9x	4.6x	4.5x
				Average	**6.5x**	**7.2x**	**6.6x**	**13.3x**	**12.8x**	**11.8x**
				Median	**3.1x**	**3.4x**	**3.3x**	**9.0x**	**7.7x**	**7.6x**
				Average	**7.6x**	**7.0x**	**6.1x**	**43.9x**	**19.5x**	**11.8x**
				Median	**4.3x**	**4.5x**	**3.5x**	**9.5x**	**16.1x**	**7.9x**
Fold Holdings, Inc.	FLD	$ 0.44	$ 24.2	$ 15.2	6.3x	0.7x	0.5x	-11.7x	-0.8x	-1.0x

(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 conservative 40% weighting to the selected T&P multiple, leaving a 60% 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.

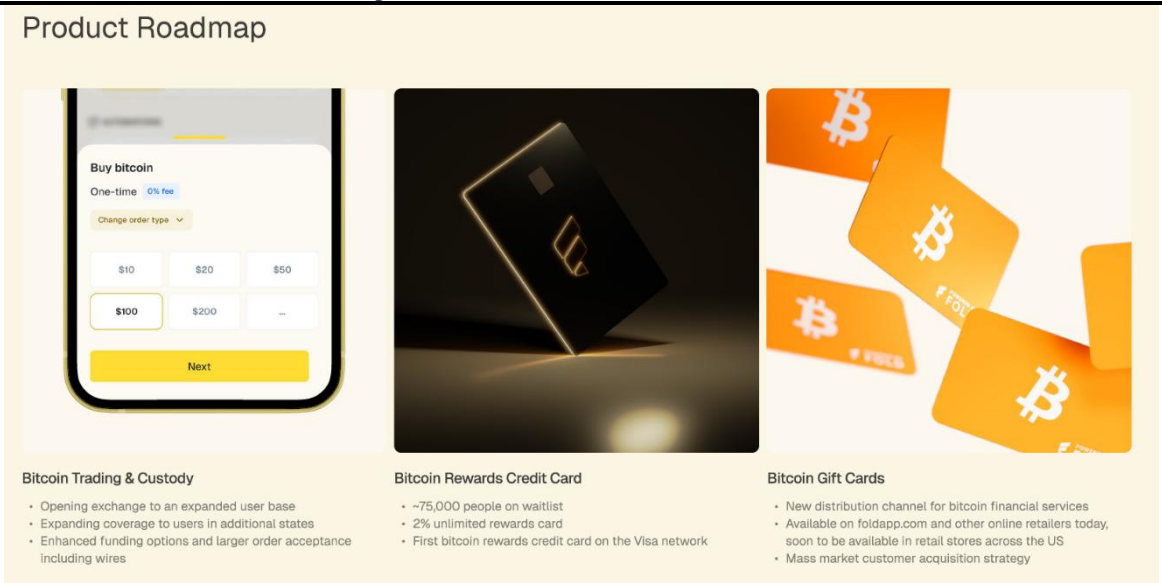
EV/Revenue			
BTC Multiple	**4.00x**	**4.25x**	**4.50x**
BTC Weight	60%	60%	60%
T&P Multiple	**2.50x**	**2.75x**	**3.00x**
T&P Weight	40%	40%	40%
2027E Blended	**3.40x**	**3.65x**	**3.90x**
Revenue	31.1	31.1	31.1
TEV	105.6	113.3	121.1
Cash	21.7	21.7	21.7
Debt	12.7	12.7	12.7
Mrkt Cap	114.6	122.4	130.1
S/O	55.1	55.1	55.1
Price	**$ 2.08**	**$ 2.22**	**$ 2.36**

Currently FLD is trading at a 2027E EV/Revenue of 0.5x compared to comps at a combined median of 3.5x. We are using a blended EV/Revenue range of 3.4x to 3.9x with a midpoint of 3.7x. This arrives at a valuation range of $2.08 to $2.36 with a price target of $2.22.

Business Overview

Fold Holdings, Inc. (NASDAQ: FLD) is a consumer financial services platform that combines USD and bitcoin within everyday financial products. The Company's 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 broader platform with custody and trading rails and balance-based products, 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. These include 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 recurring spending activity and a natural cross-sell into custody and trading. The gift card opens a mainstream opportunity through existing online and physical retail distribution, including TikTok Shop and Kroger, 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 through its partnership with BitGo. Pass-through bitcoin buying allows customers to purchase directly from linked bank accounts without first transferring funds to Fold. A free rewards tier also broadens access beyond subscription customers. 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 has shifted capital toward its operating businesses while retaining a smaller investment treasury. Management is prioritizing customer-balance growth, recurring revenues, operating efficiency and responsible Credit Card expansion. External financing is intended to support growth beyond the Company's own balance sheet while preserving product economics.

The Company is 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.

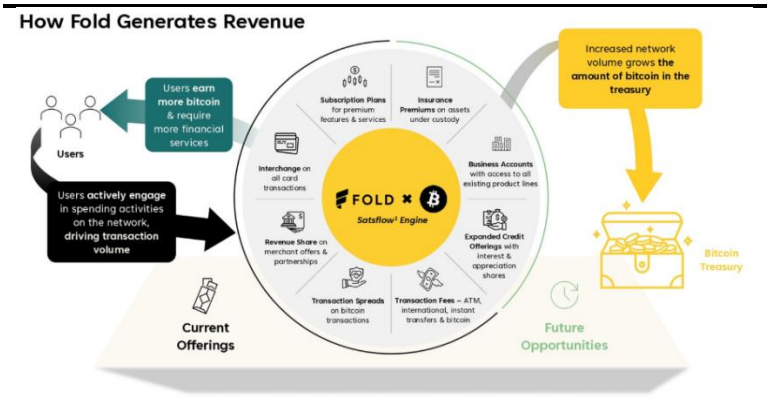
Near-term execution focuses on securing financing to scale the existing Credit Card program, growing Reserve and spending-account balances, expanding digital gift-card distribution, and sharpening unit economics across interchange, spreads, and rewards liabilities. Management is also working to broaden the platform's appeal beyond bitcoin-native customers. Successful delivery should lift the share of active, transacting users and diversify revenue beyond legacy rewards.

Business Lines and Platform 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 through a controlled 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. Early access has reached approximately 2,500 cardholders, and Fold has moved from a waitlist to an invitation system. The next phase of expansion depends on securing receivables financing, with a planned pre-approval flow outside the app intended to broaden customer and partner access.

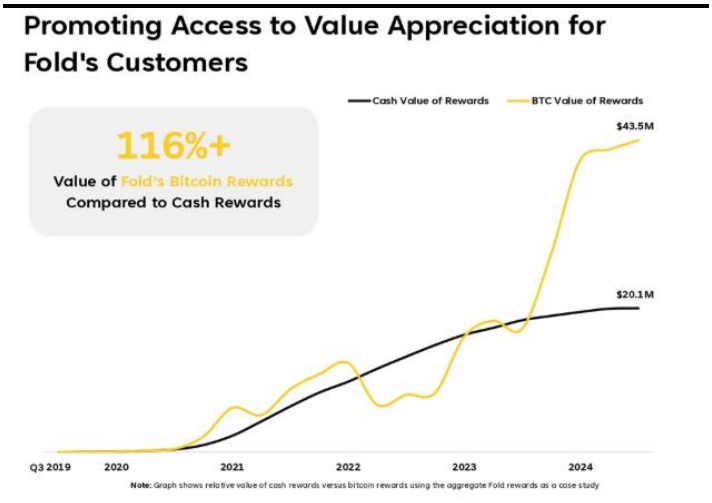
Exhibit 2: Fold's Revenue Generation Model



Source: Company Reports (2024)

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. TikTok Shop has become the largest gift-card and customer-acquisition channel, while Kroger renewed its program. Separately, Steak 'n Shake participates in Fold's Employee Bitcoin Bonus program. 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.

Exhibit 3: Customer Benefits



Source: Company Reports (2024)

Beyond these distribution channels, Fold is expanding its banking infrastructure through its Lead Bank partnership and proprietary bank-grade core ledger. Lead Bank spending accounts and Fold Reserve are now live, allowing Fold to earn from customer balances. Lead Bank holds spending-account deposits, while

Reserve is a separate stored-value product that unlocks enhanced rewards. This expands the revenue opportunity beyond transaction activity while broadening the addressable market beyond bitcoin-native users.

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 spending accounts, debit and credit cards, bill payments, 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. Reserve links customer balances to enhanced rewards across the platform, giving users an additional reason to retain funds with Fold.

Exhibit 4: Custody & Trading



Source: Company Presentation (2024)

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 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. Pass-through buying removes the need to fund a Fold balance before purchasing bitcoin. Features such as Bitcoin Sends allow transfers to any wallet address, supporting both on-platform activity and self-custody preferences.

Fold earns trading fees and spreads where applicable. Bitcoin Gift Cards accounted for $1.2M of the $1.3M in 3Q26 Custody & Trading revenue, with insured custody supported by specialist partners. Reserve customers receive zero trading fees and no added Fold spreads, while non-Reserve customers continue to pay both. 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 nationwide bitcoin exchange and custody access through BitGo's federally supervised trust framework. This approach widens the addressable market while maintaining controls for KYC, fraud, and chargebacks. With nationwide access established, execution increasingly centers on onboarding, verification, funding success and product adoption. 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. In our view, this infrastructure should support growth while preserving program integrity.

Treasury & Capital Strategy:

Fold manages a corporate bitcoin treasury alongside its operating liquidity and product-funding requirements. Management has reduced treasury exposure and directed capital toward the operating business, with financing decisions increasingly focused on supporting product scale and preserving unit economics.

The Company replaced its $250M equity purchase facility with a $25M committed equity facility, first used in October 2026. Its $13M note now matures in November 2027, with an optional extension through November 2028 and $12M of additional uncommitted capacity. These arrangements support operating liquidity and product investment while Fold works toward positive cash flow.

Growth Drivers

- **Channel scale & conversion**

  Fold's growth starts with reach, then turns that reach into verified, active users. The credit card provides a higher-frequency spending relationship, with broader issuance dependent on external financing. In parallel, the bitcoin gift card captures broad retail traffic and seasonal demand, with redemption funneling recipients into account creation. Because both channels live where consumers already transact, we believe they can reduce the need for heavy paid acquisition and lower blended CAC over time. As cohorts mature, cross-sell into custody and trading could deepen monetization and improve LTV relative to pure rewards-only users.

- **Friction removal leads to higher ARPU**

  Pass-through bitcoin buying, a free rewards tier and planned Credit Card pre-approval outside the app remove practical barriers to customer acquisition and activity. When users can fund quickly and place larger orders without workarounds, both ticket size and frequency can rise. Features that tighten the earn-buy-send loop reduce drop-off between steps and keep activity on-platform. Over time, we believe these improvements could support higher average revenue per active user and better conversion from registered to transacting cohorts. Higher volumes would also support operating leverage against largely fixed platform costs.

- **Digital and retail distribution 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 barriers to adoption and encourages first-time purchases. Seasonal peaks amplify discovery, and every redemption requires an account, turning distribution reach into sign-ups. Management has highlighted digital distribution as faster and cheaper to scale than physical retail, with TikTok Shop now the largest acquisition channel. The program is designed to be largely cost neutral, making subsequent customer activity important to its longer-term value.

- **Customer balances and recurring revenues**

  Fold Reserve and Lead Bank spending accounts add a revenue stream tied to balances retained on the platform. Thousands of customers have activated the new products, with Reserve customers holding several times the average user's balance. We believe growing and retaining these balances could deepen customer relationships and reduce dependence on transaction activity. Management

expects increased Reserve revenue contributions beginning in 4Q26, making adoption, balance retention and associated rewards costs important measures of progress.

- **Partnership leverage**

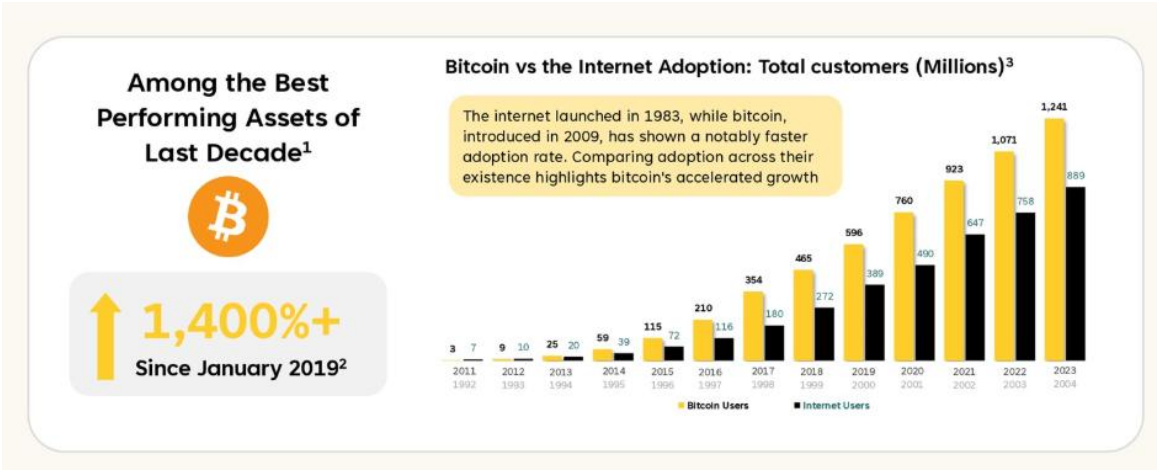
  Working with established networks, processors, and retail distributors compresses time-to-market and reduces execution risk. These partners provide compliance support, program reliability, and access to scaled distribution that would be costly to replicate in-house. They also enable faster iteration on rewards constructs, category boosts, and placements as data informs what resonates. As placements expand, partner co-marketing and sales efforts can further amplify reach. We believe these relationships can support a more capital-efficient growth path, although broader Credit Card expansion still requires financing.

- **Nationwide platform access**

  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. BitGo's federally supervised framework supports nationwide exchange and custody availability. Pass-through buying and other funding improvements now shift the opportunity toward converting that access into larger balances and broader relationships across banking and payments.

Market Overview

Exhibit 5: Fold – Bitcoin Adoption



Source: Company Presentation (2024)

Bitcoin & Crypto Backdrop

Bitcoin price performance and retail engagement do not always move together. Management noted that retail activity remained soft during 3Q26 despite a recovery in bitcoin's price. This distinction matters for Fold because transaction volumes remain sensitive to customer participation, while the newer balance products provide an additional source of recurring revenues. Products that embed bitcoin into everyday behaviors such as spending, gifting and saving can reach consumers through familiar financial activities. Fold's approach combines those distribution channels with trading, custody and balance-based products. In our view, this broadens the opportunity beyond customers seeking an exchange alone, while continued sensitivity to bitcoin sentiment remains relevant to transaction growth.

U.S. Credit Cards & Rewards

The U.S. card market is large, rewards-driven, and intensely competitive, with rewards a principal tool for acquisition and 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 support unit economics, while Visa's network, Stripe's program infrastructure and Celtic Bank's issuing role support operations. Financing costs, rewards expense and credit performance also influence program profitability. Over time, category-specific boosts and on-platform behaviors (buy, send, custody) could raise earn velocity and deepen attachment.

Gift Cards & Stored Value

The gift-card category provides an established channel for gifting, rewards and personal purchases. Fold's distribution now spans physical retail and digital marketplaces, including Kroger and TikTok Shop. By introducing a bitcoin-denominated gift card through these channels and BHN's network, Fold repurposes an existing, high-velocity channel as a crypto on-ramp. The category's seasonality (Q4 peaks), broad placement, and familiar checkout process make it a useful acquisition lever for crypto exposure. Management views digital distribution as an important expansion opportunity, with customer conversion into broader platform activity determining the value beyond the initial gift-card purchase.

Crypto On-Ramps, Wallets, and Neobanks

Fold competes at the intersection of exchanges, wallets, and neobanks. Its platform combines spending, gifting, banking and bitcoin access, offering several entry points into the ecosystem. Custody/trading then acts as a utility layer alongside those products. This sequencing can reduce user intimidation, align with mainstream habits, and support steadier engagement than speculative trading cycles. As the platform improves funding access and expands its balance-based offering, 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 across federal and state jurisdictions. Firms that can navigate licensing, program management, and partner compliance can gain a distribution advantage. Fold's approach combines Visa's payment network, Stripe's processing and program infrastructure, Celtic Bank's Credit Card issuance, Lead Bank's spending accounts, BitGo's exchange and custody services, and retail aggregators such as BHN. Nationwide bitcoin access is already established, making product adoption and distribution expansion more relevant near-term priorities than entering additional states.

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 reachable through BHN and digital marketplaces, and (c) crypto-curious users who want simple, regulated, interoperable bitcoin access. Reserve and Lead Bank spending accounts broaden that opportunity to consumers seeking enhanced rewards and a more comprehensive financial relationship. As these circles converge, and as pass-through buying reduces friction, we believe adoption across products could expand 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	Q3 Sep-26
Cash and cash equivalents	18.3	11.7	6.6	6.7	7.7	7.7	11.5	28.4	21.7
Accounts receivable, net	0.5	0.9	0.7	0.3	0.7	0.7	0.5	0.6	1.1
Inventories	0.3	0.4	0.3	0.4	0.5	0.5	0.5	0.8	0.8
Digital assets - rewards treasury	8.6	7.4	9.4	9.3	6.9	6.9	5.3	4.5	6.4
Prepaid expenses and other curent assets	0.7	4.0	3.6	2.5	2.4	2.4	2.2	1.9	1.6
Credit card receivable	-	-	-	-	-	-	-	2.8	4.0
Total Current Assets	**28.3**	**24.4**	**20.7**	**19.1**	**18.1**	**18.1**	**20.0**	**39.0**	**35.6**
Digital assets - investment treasury	93.6	123.0	159.9	170.4	133.7	133.7	56.4	11.4	14.3
Capitalized software development costs, net	1.0	1.2	1.2	1.2	1.4	1.4	1.7	2.0	2.3
Defered transaction costs	2.8	-	-	-	-	-	-	-	-
Other	-	-	0.4	0.3	0.3	0.3	0.3	0.1	0.1
Total Assets	**125.7**	**148.5**	**182.1**	**191.0**	**153.5**	**153.5**	**78.3**	**52.5**	**52.2**
LIABILITIES AND SHAREHOLDERS' EQUITY									
Accounts payable	1.1	1.5	1.3	1.1	0.7	0.7	1.7	0.7	0.8
Accrued expenses and other current liabilities	0.1	1.9	1.9	2.2	3.2	3.2	2.6	2.0	1.8
Convertible note, net	11.8	-	-	-	-	-	-	-	-
Feb 2026 Note	-	-	-	-	-	-	12.2	12.4	12.7
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	6.4
Accrued legal settlement	-	-	-	-	-	-	-	1.4	-
Deferred revenue	0.4	0.4	0.3	0.4	0.4	0.4	0.3	0.2	0.1
Total Current Liabilities	**21.9**	**11.1**	**12.9**	**13.0**	**21.1**	**21.1**	**42.0**	**21.2**	**21.8**
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 Agrements for Future Equity ("SAFEs")	171.1	-	-	-	-	-	-	-	-
Other Non-curent 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**	**21.8**
Preferred stock	0.0	-	-	-	-	-	-	-	-
Common Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aditional paid-in-capital	33.5	222.1	225.3	230.9	233.9	233.9	236.5	241.0	242.9
Acumulated deficit	(101.3)	(150.2)	(136.8)	(136.2)	(170.9)	(170.9)	(200.1)	(209.8)	(212.4)
Total Parent Net Equity	**(67.8)**	**71.9**	**88.5**	**94.7**	**63.0**	**63.0**	**36.4**	**31.3**	**30.5**
Minority interest	-	-	-	-		-	-	-	-
Total Consolidated Equity	**(67.8)**	**71.9**	**88.5**	**94.7**	**63.0**	**63.0**	**36.4**	**31.3**	**30.5**
Total Liabilities and Shareholders' Equity	**125.7**	**148.5**	**182.1**	**191.0**	**153.5**	**153.5**	**78.3**	**52.5**	**52.2**

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 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	$ 4.2	$ 6.1	$ 21.9	$ 7.0	$ 7.5	$ 8.0	$ 8.5	$ 31.1
Total Revenues	**23.8**	**7.1**	**8.2**	**7.4**	**9.1**	**31.8**	**5.6**	**6.1**	**4.2**	**6.1**	**21.9**	**7.0**	**7.5**	**8.0**	**8.5**	**31.1**
Banking and payment costs	22.5	6.8	7.7	6.5	7.7	28.7	4.8	5.1	3.1	4.7	17.8	5.3	5.7	6.0	6.4	23.4
Custody and trading costs	0.2	0.0	0.1	0.2	0.6	1.0	0.6	0.7	1.3	0.9	3.6	1.0	1.1	1.0	1.0	4.2
Compensation and benefits	3.2	6.5	3.7	3.7	3.8	17.7	4.0	3.8	3.7	3.5	15.0	3.5	3.5	3.5	3.5	14.0
Marketing expenses	0.5	0.4	0.6	0.2	0.5	1.7	0.3	0.7	0.2	0.5	1.7	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	0.8	1.0	4.8	1.0	1.0	1.0	1.0	4.0
Amortization expense	0.3	0.1	0.1	0.2	0.1	0.6	0.2	0.2	0.2	0.2	0.7	0.2	0.2	0.2	0.2	0.7
(Gain) loss on customer rewards liability	5.2	(1.1)	2.1	0.5	(2.3)	(0.8)	(1.5)	(0.7)	2.0	-	(0.3)	-	-	-	-	-
(Gain) loss on digital assets - rewards treasury	(5.6)	1.0	(2.3)	(0.6)	2.4	0.4	1.7	1.1	(2.1)	-	0.7	-	-	-	-	-
Other SG&A expenses	1.4	1.1	1.3	1.2	1.3	4.9	1.7	1.7	1.3	1.3	6.0	1.3	1.3	1.3	1.3	5.0
Total Operating Expenses	29.6	16.6	14.5	13.3	15.1	59.5	13.4	13.9	10.5	12.1	49.8	12.8	13.2	13.5	13.9	53.3
Operating Income	**(5.8)**	**(9.5)**	**(6.3)**	**(5.9)**	**(6.0)**	**(27.7)**	**(7.8)**	**(7.8)**	**(6.3)**	**(6.0)**	**(27.9)**	**(5.8)**	**(5.7)**	**(5.5)**	**(5.3)**	**(22.3)**
Loss on digital assets - investment treasury	29.2	(15.6)	36.6	10.2	(40.4)	(9.2)	(28.6)	0.1	4.1	-	(24.4)	-	-	-	-	-
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 fees	-	(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)	(4.2)	(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	0.1	-	0.8	-	-	-	-	-
Other income (expense), net	**(65.1)**	**(48.9)**	**13.4**	**0.6**	**(34.7)**	**(69.6)**	**(29.2)**	**(9.7)**	**(2.6)**	**(6.4)**	**(47.9)**	**(6.2)**	**(6.1)**	**(5.9)**	**(5.8)**	**(24.1)**
Income tax expense	0.0	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)**	**(2.6)**	**(6.4)**	**(47.9)**	**(6.2)**	**(6.1)**	**(5.9)**	**(5.8)**	**(24.1)**
Basic EPS	**$ (11.15)**	**$ (1.92)**	**$ 0.29**	**$ 0.01**	**$ (0.82)**	**$ (1.65)**	**$ (0.59)**	**$ (0.19)**	**$ (0.05)**	**$ (0.11)**	**$ (0.90)**	**$ (0.11)**	**$ (0.11)**	**$ (0.10)**	**$ (0.10)**	**$ (0.42)**
Diluted EPS	**$ (11.15)**	**$ (1.92)**	**$ 0.28**	**$ 0.01**	**$ (0.82)**	**$ (1.65)**	**$ (0.59)**	**$ (0.19)**	**$ (0.05)**	**$ (0.11)**	**$ (0.90)**	**$ (0.11)**	**$ (0.11)**	**$ (0.10)**	**$ (0.10)**	**$ (0.42)**
WTD Shares Out - Basic	5.8	25.4	46.5	46.9	42.2	42.2	49.7	51.8	54.8	56.5	53.2	56.5	56.6	56.7	56.7	56.6
WTD Shares Out - Diluted	5.8	25.4	47.6	46.9	42.2	42.2	49.7	51.8	54.8	56.5	53.2	56.5	56.6	56.7	56.7	56.6
Adjusted EBITDA	**$ (6.3)**	**$ (4.2)**	**$ (4.7)**	**$ (4.2)**	**$ (4.1)**	**$ (17.2)**	**$ (5.8)**	**$ (5.5)**	**$ (4.5)**	**$ (4.3)**	**$ (20.0)**	**$ (4.1)**	**$ (4.0)**	**$ (3.8)**	**$ (3.7)**	**$ (15.6)**
Margin Analysis																
Operating Margin	-24.5%	-134.0%	-77.4%	-80.3%	-65.3%	-87.2%	-140.0%	-127.6%	-151.7%	-98.7%	-127.3%	-82.9%	-75.5%	-68.2%	-62.4%	-71.7%
EBITDA Margin	-26.6%	-59.4%	-57.4%	-56.8%	-45.0%	-54.1%	-102.8%	-89.7%	-107.2%	-71.2%	-91.2%	-59.0%	-53.2%	-47.3%	-42.8%	-50.1%
Pre-Tax Margin	-274.0%	-689.6%	164.2%	7.5%	-380.0%	-218.9%	-521.5%	-158.5%	-63.5%	-106.1%	-218.5%	-89.4%	-81.5%	-73.8%	-67.7%	-77.5%
Net Income Margin	-274.0%	-689.6%	164.2%	7.5%	-379.9%	-218.9%	-521.6%	-158.5%	-63.7%	-106.1%	-218.6%	-89.4%	-81.5%	-73.8%	-67.7%	-77.5%
Tax Rate	0.0%	0.0%	0.0%	-0.2%	0.0%	0.0%	0.0%	0.0%	-0.3%	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%	-43.8%	-33.4%	-31.1%	25.0%	23.4%	92.6%	40.5%	41.7%
Total cost of revenues		186.7%	129.2%	41.7%	87.7%	101.3%	-19.1%	-4.4%	-21.5%	-20.0%	-16.3%	-4.7%	-4.8%	28.7%	14.8%	7.0%
Operating Income		1011.5%	432.0%	42.5%	-1595.1%	377.0%	-17.6%	22.8%	6.3%	0.6%	0.7%	-26.0%	-27.0%	-13.5%	-11.2%	-20.2%
Pre-Tax Income		5116.5%	-678.8%	-100.9%	-7339.6%	6.9%	-40.3%	-171.9%	-577.6%	-81.4%	-31.2%	-78.6%	-36.6%	123.8%	-10.4%	-49.8%
Net Income		5072.2%	-678.8%	-100.9%	-7232.4%	6.9%	-40.3%	-171.9%	-578.1%	-81.4%	-31.1%	-78.6%	-36.6%	123.2%	-10.4%	-49.8%

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	Q3 Sep-26
Operating Activities								
Net loss	(48.9)	13.4	0.6	(34.7)	(69.6)	(29.2)	(9.7)	(2.6)
Amortization expense	0.1	0.1	0.2	0.1	0.6	0.2	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	(2.1)
Loss on digital assets - investment treasury	15.6	(36.6)	(10.2)	40.4	9.2	28.6	(0.1)	(4.1)
(Gain) loss on customer rewards liability	(1.1)	2.1	0.5	(2.3)	(0.8)	(1.5)	(0.7)	2.0
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	0.2
Amortization of debt isuance costs	-	-	-	0.7	0.7	0.0	-	-
Amortization of debt discount	-	0.4	(0.2)	(0.3)	(0.0)	4.0	0.3	0.2
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	1.8
Other	-	-	-	-	-	(0.3)	(0.2)	1.4
Cash Flow from operating activities before working capital changes	**(5.0)**	**(6.1)**	**(5.6)**	**(5.6)**	**(22.2)**	**(8.1)**	**(7.5)**	**(3.3)**
Accounts receivable, net	(0.5)	0.2	0.4	(0.4)	(0.3)	0.2	(0.1)	(4.5)
Inventories	(0.1)	0.1	(0.0)	(0.1)	(0.2)	0.0	(0.4)	0.1
Prepaid expenses and other current assets	(1.0)	0.4	1.2	0.1	0.7	(0.0)	0.3	0.3
Accounts payable	0.4	(0.2)	(0.3)	(0.3)	(0.4)	0.9	(1.0)	0.1
Accrued expenses and other current liabilities	0.7	0.7	1.0	1.4	3.8	0.8	0.2	1.0
Customer reward liability	0.6	0.7	0.5	0.6	2.4	0.3	0.4	0.4
Deferred revenue	(0.0)	(0.1)	0.1	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)
Other Non-current Liabilities	-	0.3	0.2	0.2	0.7	(0.7)	(1.4)	1.4
Cash flow generated/(absorbed) from operating Activities	**(5.0)**	**(4.0)**	**(2.5)**	**(4.7)**	**(16.1)**	**(6.6)**	**(9.5)**	**(4.5)**
Investing Activities								
Purchases of digital assets	(1.6)	(0.8)	(0.8)	(4.9)	(8.0)	(0.7)	(1.0)	(1.6)
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)	(0.5)
Cash flow generated by Investing Activities	**(1.8)**	**(1.0)**	**(0.9)**	**(5.2)**	**(9.0)**	**13.2**	**43.4**	**(2.1)**
Financing Activities								
Proceds 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 defered IPO costs	(0.7)	-	-	-	(0.7)	-	-	-
Proceds received from SAFE financings	-	-	-	-	-	-	-	-
Payment of debt issuance costs	-	(0.1)	-	-	(0.1)	-	-	(0.1)
Proceeds from issuance of common stock	-	-	3.5	0.9	4.4	0.4	2.9	0.0
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)**	**(0.1)**
Net Cash flow in the year	**(6.6)**	**(5.1)**	**0.0**	**1.0**	**(10.7)**	**3.9**	**16.9**	**(6.7)**
Cash and Cash Equivalents								
Beginning Cash balance	18.3	11.7	6.6	6.7	18.3	7.7	11.5	28.4
Ending Cash balance	11.7	6.6	6.7	7.7	7.7	11.5	28.4	21.7

Source: Company Reports, Stonegate Capital Partners

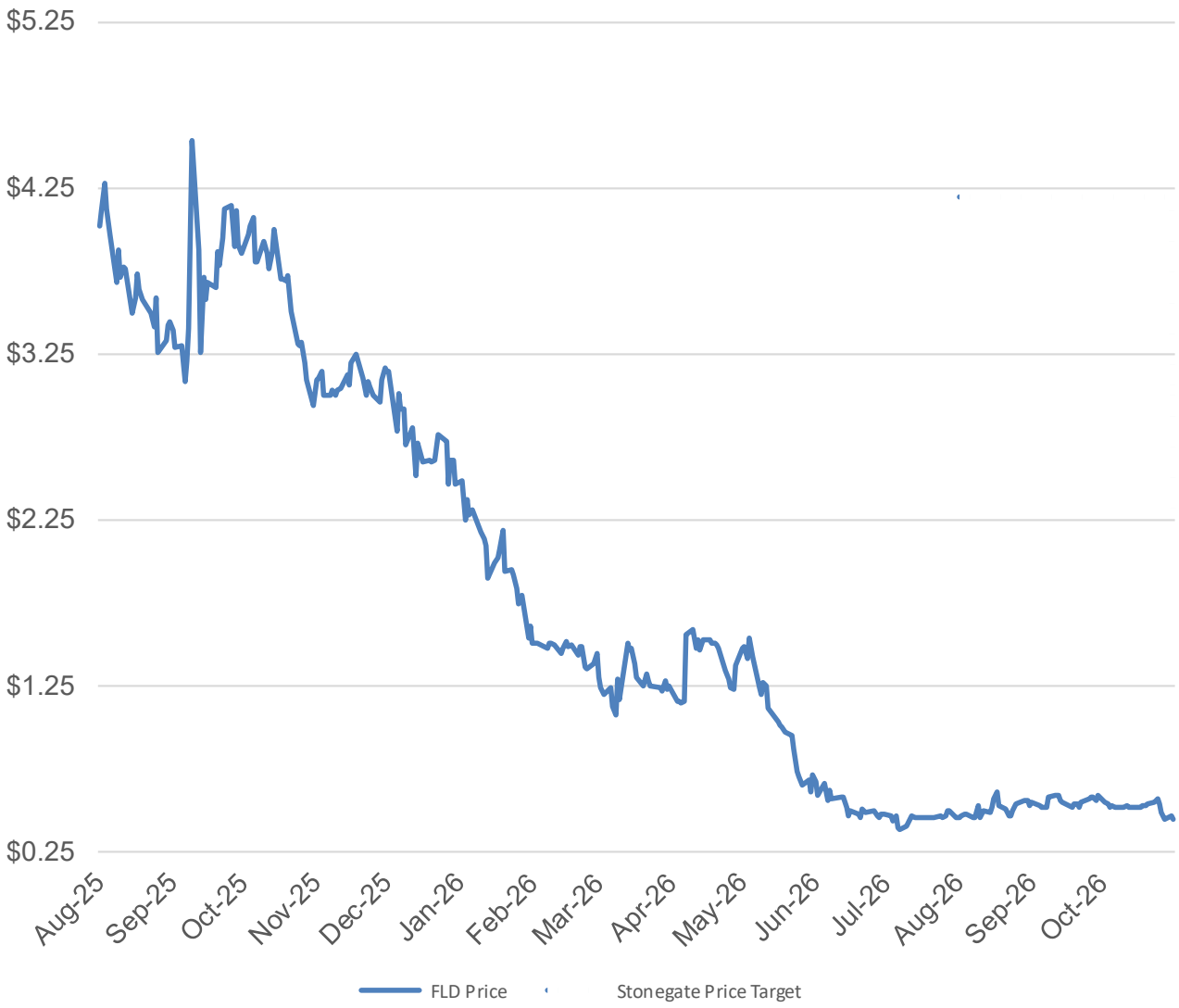
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