

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

Financial Statements
For the period from February 27, 2025 to
December 31, 2025



BIN GHANNAM
ACCOUNTING & AUDITING

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates
For the period from February 27, 2025 to December 31, 2025

Table of contents

	Pages
General information	1
Independent auditor's report	2-4
Statement of financial position	5
Statement of profit or loss	6
Statement of other comprehensive income	7
Statement of changes in net assets attributable to founder	8
Statement of cash flows	9
Notes to the financial statements	10-22

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

General Information

Principal office address : Part of unit 8, Level 3, Al Maryah Tower
Abu Dhabi Global Market square, Al Maryah Island
Abu Dhabi, United Arab Emirates

	<u>Name</u>	<u>Nationality</u>
Founder	: Shahbaz Ali Khan	Pakistani
Founder	: Muhammad Hassan Baig	Pakistani
Council Member	: Shahbaz Ali Khan	Pakistani
Council Member	: Muhammad Hassan Baig	Pakistani

The Auditors : Bin Ghannam Accounting & Auditing Limited
P. O. Box 23573
Abu Dhabi
United Arab Emirates



INDEPENDENT AUDITOR'S REPORT

To the Council of STACKS ASIA DLT FOUNDATION

Abu Dhabi, United Arab Emirates

Report on the audit of the financial statements for the period from February 27, 2025 to December 31, 2025

Opinion

We have audited the financial statements of STACKS ASIA DLT FOUNDATION (the "Foundation") which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Foundation's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities requirements in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the 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 International Financial Reporting Standards and their preparation and compliance with the applicable provisions of the related UAE laws, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

The Founders and council members of Foundation are responsible for overseeing the Foundation's financial reporting process.

SK

(Auditor's report continued on next page)

**Independent auditor's report on STACKS ASIA DLT FOUNDATION (continued)****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 ISAs 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 ISA's, we exercise professional judgement 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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 evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 Foundation 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.

We communicate with the management 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 are also providing 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.

SK

(Auditor's report continued on next page.)



Independent auditor's report on STACKS ASIA DLT FOUNDATION (continued)

Report On Other Legal and Regulatory Requirements

Further, as required by the ADGM Companies Regulations 2020, we report that:

- We have obtained all the information and explanations which we considered necessary for our audit.
- The financial statements have been prepared and complied in accordance with applicable financial reporting framework.
- The Foundation has maintained proper books of account.
- The material related party transactions and the terms under which they were conducted are disclosed in the financial statements; and
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Foundation has contravened during the financial period any of the applicable provisions of the above law or in respect of the Foundation's Charter which would materially affect its activities or its financial position.


Sarfraz Ahmed Khanani
Bin Ghannam Accounting & Auditing Limited
Registration No. 18996
Abu Dhabi, United Arab Emirates
ADGM2026 – AUD - 012
September 14, 2026



STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

Statement of Financial Position as at December 31, 2025

	<i>Note</i>	December 31, 2025 USD
Equity and liabilities		
Current liabilities		
Due to related party	4	20,625
Accrued liabilities		7,000
Total current liabilities		27,625
Total liabilities		27,625
Net assets attributable to the founders		(27,625)

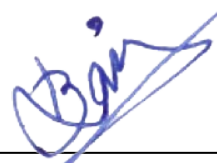
The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on page 3 to 5.

The financial statements were approved on September 14, 2026 and signed on behalf of the Foundation by Council Members, by the undersigned:



Shahbaz Ali Khan



Muhammad Hassan Baig

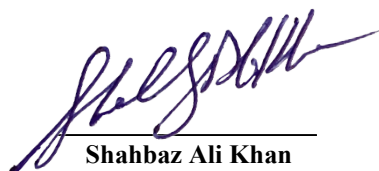
STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

Statement of profit or loss for the period from February 27, 2025 to December 31, 2025

		For the period from February 27, 2025 to December 31, 2025
	<i>Note</i>	USD
General and administrative expenses	5	(27,625)
Loss before tax		(27,625)
Taxation	6	-
Loss after tax		(27,625)

The accompanying notes form an integral part of these financial statements.
The report of the auditors is set out on page 3 to 5.

The financial statements were approved on September 14, 2026 and signed on behalf of the Foundation by Council Members, by the undersigned:


Shahbaz Ali Khan


Muhammad Hassan Baig

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

**Statement of other comprehensive income for the period from February 27, 2025 to
December 31, 2025**

	For the period from February 27, 2025 to December 31, 2025
	— USD —
Loss after tax	(27,625)
Other comprehensive income	
<i>Items that will not be subsequently reclassified to profit or loss</i>	-
Total comprehensive loss for the period	(27,625)

The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on page 3 to 5.

The financial statements were approved on September 14, 2026 and signed on behalf of the Foundation by Council Members, by the undersigned:


Shahbaz Ali Khan


Muhammad Hassan Baig

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

**Statement of Changes in Net Assets Attributable to Founder for the period from
February 27, 2025 to December 31, 2025**

	Attributable to founders
	USD
Total comprehensive loss for the period	(27,625)
Balance as at December 31, 2024	(27,625)

**The accompanying notes form an integral part of these financial statements.
The report of the auditors is set out on page 3 to 5.**

The financial statements were approved on September 14, 2026 and signed on behalf of the Foundation by Council Members, by the undersigned:


Shahbaz Ali Khan


Muhammad Hassan Baig

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

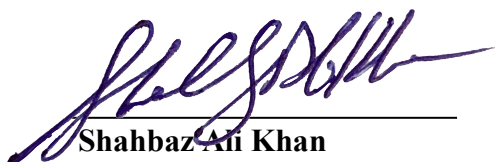
Statement of Cash Flows for the period from February 27, 2025 to December 31, 2025

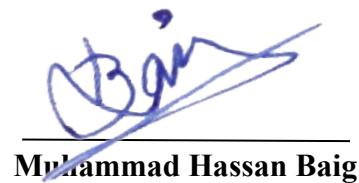
		For the period from February 27, 2025 to December 31, 2025
	<i>Note</i>	— USD —
Cash flows from operating activities		
Loss before tax		(27,625)
Cash flow before working capital changes		(27,625)
Working capital changes		
Increase in due to related party	4	20,625
Increase in accrued liabilities		7,000
Cash generated from operating activities		-
Net change in cash and cash equivalents		-
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		-

The accompanying notes form an integral part of these financial statements.

The report of the auditors
is set out on page 3 to 5.

The financial statements were approved on September 14, 2026 and signed on behalf of the Foundation by Council Members, by the undersigned:


Shahbaz Ali Khan


Muhammad Hassan Baig

STACKS ASIA DLT FOUNDATION

Abu Dhabi, United Arab Emirates

Notes to the Financial Statements for the period from February 27, 2025 to December 31, 2025

1. STATUS AND NATURE OF BUSINESS

The Foundation was incorporated on February 27, 2025 under the name "Stacks Asia DLT Foundation" with the license number 20697 under the Abu Dhabi Global Market - Abu Dhabi, United Arab Emirates.

The registered address of the Foundation is Part of unit 8, Level 3, Al Maryah Tower, ADGM square, Al Maryah Island, Abu Dhabi, United Arab Emirates. The principal activities of the Foundation are to operate as a distributed ledger technology ("DLT") foundation.

List of founders as at December 31, 2025

Name	Nationality
Shahbaz Ali Khan	Pakistani
Muhammad Hassan Baig	Pakistani

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) including in compliance with the applicable provisions of the Abu Dhabi Global Market ("ADGM") DLT Foundations Regulations, applicable ADGM laws and regulations, and other relevant regulatory requirements applicable to the Foundation..

Where the provisions of and directives issued under the UAE Law differ from the IFRS, the provisions of and directives issued under the UAE Law have been followed.

2.2 Basis of measurement of items in these financial statements

In these financial statements, all items have been measured at their historical cost.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Foundation operates. These financial statements are presented in USD which is the Foundation's functional and presentation currency.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Foundation's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Foundation's financial statements or where judgments were exercised in application of accounting policies are as follows:

STACKS ASIA DLT FOUNDATION

Abu Dhabi, United Arab Emirates

Notes to the Financial Statements for the period from February 27, 2025 to December 31, 2025

(a) Contingencies

The Foundation reviews the status of all pending litigations and claims against the Foundation. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

(b) Assumptions and other major sources of estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes.

2.5 New Accounting pronouncements

2.5.1 The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable would be effective from the dates mentioned below against the respective standards or interpretation:

Description effective for periods		Effective for period
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments - Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026
IFRS 18	Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS-Volume 11	Annual improvements to IFRS – Volume 11	January 1, 2026
IAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

The Foundation expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material effect on the Foundation's financial statements in the period of initial application.

STACKS ASIA DLT FOUNDATION

Abu Dhabi, United Arab Emirates

Notes to the Financial Statements for the period from February 27, 2025 to December 31, 2025

2.5.2 Material Accounting Policy Information

These are the Foundation's first financial statements since incorporation and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The accounting policies set out below have been applied consistently throughout the reporting period. The Company has adopted all new and revised IFRS Accounting Standards effective for the current reporting period, where applicable.

The amendments require disclosure of material, rather than significant accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting Foundation's to provide useful Foundation specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand and balances held with banks.

3.3. Financial assets

3.3.1 Initial recognition, classification and measurement

The Foundation recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Foundation classifies its financial assets into either of following three categories:

- (a) financial assets measured at amortized cost:
- (b) fair value through other comprehensive income (FVOCI);and
- (c) fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

STACKS ASIA DLT FOUNDATION

Abu Dhabi, United Arab Emirates

Notes to the Financial Statements for the period from February 27, 2025 to December 31, 2025

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Foundation may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.3.2 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Foundation has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

STACKS ASIA DLT FOUNDATION

Abu Dhabi, United Arab Emirates

Notes to the Financial Statements for the period from February 27, 2025 to December 31, 2025

3.3.3 *Impairment*

The Foundation recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade receivables, the Foundation applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Foundation applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Foundation measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Foundation measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Foundation measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Foundation recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

3.3.4 *De-recognition*

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership.

The Foundation directly reduces the gross carrying amount of a financial asset when the Foundation has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.4 **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss (FVTPL)'. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the cash flows of the financial liability have been substantially modified.

STACKS ASIA DLT FOUNDATION

Abu Dhabi, United Arab Emirates

Notes to the Financial Statements for the period from February 27, 2025 to December 31, 2025

3.5 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Foundation has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.6 Provisions

A provision is recognised in the statement of financial position when the Foundation has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

Notes to the Financial Statements for the period from February 27, 2025 to December 31, 2025

December 31,
2025
— USD —

4 Transaction with related parties

For the purpose of these financial statements, parties are considered to be related to the Foundation if they have the ability to control or exercise significant influence over the Foundation in making financial and operating decisions, or vice versa, in accordance with IAS 24 Related Party Disclosures.

Related parties comprise the parent company, fellow subsidiaries, associates, joint ventures, key management personnel and entities controlled or significantly influenced by such parties.

Balance as at reporting date

In addition to transactions disclosed elsewhere in these financial statements, the Foundation had the following related party balances as at 31 December 2025:

Nature of Relationship	Nature of transactions	Amount
Founders / Council members	Legal and professional expense	20,625

Transaction during the period

Nature of Relationship	Nature of transactions	Amount
Founders / Council members	Legal and professional expense	20,625

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

**Notes to the Financial Statements for the period from February 27, 2025 to
December 31, 2025**

	For the period from February 27, 2025 to December 31, 2025 — USD —
5 General and administrative expenses	
Legal and professional fees	27,625
	<u>27,625</u>
6 Taxation	
Accounting loss before taxation	27,625
<i>Total taxable loss</i>	<u><u>27,625</u></u>

- 6.1** On 9 December 2022, the United Arab Emirates (“UAE”) Ministry of Finance introduced Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, as amended from time to time, which established a Federal Corporate Tax (“CT”) regime in the UAE. The Corporate Tax regime applies to financial years commencing on or after 1 June 2023.

The Foundation is subject to Corporate Tax at 9% on taxable income exceeding AED 375,000, while taxable income up to AED 375,000 is subject to a 0% rate. This is the Foundation's first Corporate Tax filing since incorporation, and the Foundation shall file its first Corporate Tax return with the Federal Tax Authority on or before 30 September 2026, in accordance with the applicable requirements.

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

**Notes to the Financial Statements for the period from February 27, 2025 to
December 31, 2025**

7 Financial instruments

a. Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 3 to the financial statements.

b. Categories of financial instruments

Financial liabilities

Due to related party

Accrued liabilities

**December 31,
2025**

— USD —

20,625

7,000

27,625

c. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of financial instruments measured at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

Valuation of financial instruments recorded at fair value is based on quoted market prices and other valuation techniques.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices; and

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

**Notes to the Financial Statements for the period from February 27, 2025 to
December 31, 2025**

7 Financial instruments (Continued)

c. Fair value of financial instruments (Continued)

- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on the present value calculation of the expected future cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The financial instruments are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value 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); and
- 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).

As at the period end, the carrying value of the financial assets and financial liabilities approximates to their fair values.

8 Financial risk management

The Foundation's financial risk management policies set out the Foundation's overall business strategy and risk management philosophy. The Foundation's overall financial risk management program seeks to minimize potential adverse effects to the financial performance of the Foundation. Management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Foundation's activities in future periods will expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Foundation does not hold or issue derivative financial instruments for speculative purposes.

a. Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation's exposure to the risk of changes in market interest rates is limited to its interest bearing assets and liabilities. The Foundation's interest rate risk arises primarily from borrowings.

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

**Notes to the Financial Statements for the period from February 27, 2025 to
December 31, 2025**

8 Financial risk management (Continued)

a. Interest rate risk management (Continued)

Although the Foundation is not exposed to interest rate risk, the founders consider that the impact of interest rate will not be material to the results of operations.

b. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Foundation. As this is the Foundation's first reporting period since incorporation and it has not commenced operations or entered into transactions with external counterparties, the Foundation has no material exposure to credit risk as at the reporting date.

c. Foreign currency risk management

At the reporting date, there were no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in United States Dollar (USD).

d. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with management who has built an appropriate liquidity risk management framework for the management of the Foundation's short, medium and long-term funding. The Foundation manages liquidity risk by maintaining adequate reserves, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The following tables detail the Foundation's remaining contractual maturity for its financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the expected maturity and the earliest date on which the Foundation is expected to receive for financial assets and to pay for financial liabilities.

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

Notes to the Financial Statements for the period from February 27, 2025 to December 31, 2025

8 Financial risk management (Continued)

d. *Liquidity risk management (continued)*

Liquidity and interest risk tables

The maturity profile of the assets and liabilities at the reporting date based on contractual repayment arrangements were also shown below:

Particulars	Interest bearing			Non Interest bearing				
	Rate (in %)	On demand or less than 1 year	Within 1 year	More than 1 year	On demand or less than 1 year	Within 1 year	More than 1 year	Total
	From February 27, 2025 to December 31, 2025							
Financial liabilities								
Due to related party	-	-	-	-	20,625	-	-	20,625
Accrued liabilities	-	-	-	-	7,000	-	-	7,000
	-	-	-	-	27,625	-	-	27,625

STACKS ASIA DLT FOUNDATION
Abu Dhabi, United Arab Emirates

**Notes to the Financial Statements for the period from February 27, 2025 to
December 31, 2025**

8 Financial risk management (Continued)

e. Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Foundation. The Foundation has adopted a policy of only dealing with creditworthy counterparties. The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Foundation's maximum exposure to credit risks.

f. Capital risk management

The Capital structure of the Foundation consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings as disclosed in the financial statements.

9 Contingent liabilities and capital commitments

There has been no other known contingent liability or capital commitment on the Foundation's financial statements as of the reporting date.

10 Events after the reporting period

Subsequent to the reporting date, in January 2026, the Founder contributed USD 50,000 to the Foundation without consideration, in accordance with the Foundation Charter. Accordingly, the Foundation received its initial assets of USD 50,000 after 31 December 2025. As the contribution occurred subsequent to the reporting date, it has not been recognised in these financial statements.

11 General information

a. Number of employees

The Foundation has no employee as at period ended on December 31, 2025.

b. Date of authorization for issue of the financial statements

These financial statement have been authorized for issue by the Council Members on behalf of the Foundation on September 14, 2026.

c. Level of rounding

Figures in these financial statements have been rounded off to the nearest USD.

d. Corresponding figures

As these are the first audited financial statements of the Foundation after its incorporation, there for there are no corresponding figures to disclose.