

Athena Bitcoin Global and Subsidiaries

1 SE 3rd Ave, Suite 2740,
Miami, FL 33131

312-690-4466
athenabitcoin.com
investor@athenabitcoin.com

Annual Report

For the year ending December 31, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

4,095,009,545 as of December 31, 2024

4,094,459,545 as of December 31, 2023

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

⁴ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Athena Bitcoin Global and Subsidiaries
1 SE 3rd Ave, Suite 2740, Miami, FL 33131

Athena Bitcoin Global was incorporated in the state of Nevada in 1991 under the name "GamePlan, Inc." for the sole purpose of merging with Sunbeam Solar, Inc., a Utah corporation, which merger occurred as of December 31, 1991 and Athena Bitcoin Global was the surviving entity following the merger.

On January 14, 2020, Athena Bitcoin Global entered into a Share Exchange Agreement (the "Agreement"), between Athena Bitcoin Global, Athena Bitcoin, Inc., a Delaware corporation founded in 2015, and certain shareholders of Athena Bitcoin, Inc. The Agreement provided for the reorganization of Athena Bitcoin, Inc., with Athena Bitcoin Global, resulting in Athena Bitcoin Inc. becoming a wholly owned subsidiary of Athena Bitcoin Global upon the closing of the transaction on January 30, 2020. The agreement was for the exchange of 100% shares of the outstanding Common Stock of Athena Bitcoin Inc., for 3,593,644,680 shares of Athena Bitcoin Global's common stock (an exchange rate of 1,244.69 shares of Athena Bitcoin Global's stock for each share of Athena Bitcoin Inc. stock). As a result of the transaction, the former shareholders of Athena Bitcoin Inc. acquired the majority (88%) of the voting rights of Athena Bitcoin Global. The Share Exchange Agreement is a reverse acquisition whereby Athena Bitcoin Inc. is considered the accounting acquirer pursuant to FASB ASC 805-40-45-2 and the number of shares exchange were 1,244.69 shares of Athena Bitcoin Global's common stock for each share of Athena Bitcoin, Inc. common stock.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Athena Bitcoin Global (f.k.a. GamePlan, Inc.) was incorporated in the state of Nevada on December 26, 1991 for the sole purpose of merging with Sunbeam Solar, Inc., a Utah corporation, which merger occurred as of December 31, 1991. The Company is currently in good standing as a Nevada Corporation.

Current State and Date of Incorporation or Registration: Nevada, December 26, 1991

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

N/A

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

1 SE 3RD AVE Suite 2740, Miami, FL 33131

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Equiniti Trust Company LLC
Phone: (212)986-1353
Email: info@equiniti.com
Address: 90 Park Ave, New York, NY 10016

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

| | |
|--|---|
| Trading symbol: | <u>ABIT</u> |
| Exact title and class of securities outstanding: | <u>Common Stock with Par Value \$0.001</u> |
| CUSIP: | <u>046839106</u> |
| Par or stated value: | <u>\$0.001</u> |
| Total shares authorized: | <u>10,000,000,000 as of date: December 31, 2024</u> |
| Total shares outstanding: | <u>4,095,009,545 as of date: December 31, 2024</u> |
| Total number of shareholders of record: | <u>188 as of date: December 31, 2024</u> |

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

N/A

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

| | |
|--|--|
| Exact title and class of securities outstanding: | <u>Preferred Stock with Par Value \$0.001</u> |
| CUSIP: | <u>N/A</u> |
| Par or stated value: | <u>\$0.001</u> |
| Total shares authorized: | <u>5,000,000,000 as of date: December 31, 2024</u> |
| Total shares outstanding: | <u>0 as of date: December 31, 2024</u> |
| Total number of shareholders of record: | <u>0 as of date: December 31, 2024</u> |

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

N/A

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

The voting, dividend and liquidation rights of the holders of the common stock will be subject to and qualified by the rights, powers and preferences of the holders of any preferred stock that may be authorized by the corporation's board of directors (the board) as set forth herein.

The holders of the common stock are entitled to one vote for each share of common stock held at all meetings of stockholders (and written actions in lieu of meetings). Provided however, that except as otherwise required by law, holders of common stock, as such, shall not be entitled to vote on any amendment to the corporations article of incorporation (as amended or amended and restated from time to time (the articles of incorporation)) that relates solely to the terms of one or more outstanding series of preferred stock that may be authorized by the board as set forth herein, if the holders of such affected series are entitled either separately or together with the holders of one or more other such series, to vote there on pursuant to the articles of incorporation or pursuant to the act. There shall be no cumulative voting period the number of authorized shares of common stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of preferred stock that may be required by terms of the articles of incorporation) the affirmative vote of the holders of shares of capital stock of the corporation representing a majority of the votes represented by all outstanding shares of capital stock of the corporation entitled to vote.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

None

3. **Describe any other material rights of common or preferred stockholders.**

None

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

N/A

3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.***

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

| Shares Outstanding <u>Opening Balance:</u> | | | *Right-click the rows below and select "Insert" to add rows as needed. | | | | | | |
|--|--|--|--|---|--|--|--|---|---------------------------------|
| Date <u>01/01/2023</u> | Common: <u>4,094,459,545</u> Preferred: <u>NONE</u> | | | | | | | | |
| Date <u>12/31/2023</u> | Common: <u>4,094,459,545</u> Preferred: <u>NONE</u> | | | | | | | | |
| Date of Transaction | Transaction type (e.g., new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed. | Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided | Restricted or Unrestricted as of this filing. | Exemption or Registration Type. |
| <u>05/08/2024</u> | <u>New Issuance</u> | <u>550,000</u> | <u>Common</u> | <u>\$0.10</u> | No | <u>MZHCI LLC/ Greg Falesnik/CEO*</u> | <u>Services Rendered</u> | <u>Restricted</u> | Securities Act Section 4(a)(2) |
| Shares Outstanding on Date of This Report: | | | | | | | | | |
| <u>Ending Balance</u> | | | | | | | | | |
| Date <u>12/31/2024</u> | Common: <u>4,095,009,545</u> Preferred: <u>NONE</u> | | | | | | | | |

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

N/A

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

| Date of Note Issuance | Principal Amount at Issuance (\$) | Outstanding Balance (\$) (include accrued interest) | Maturity Date | Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares) | # Shares Converted to Date | # of Potential Shares to be Issued Upon Conversion ⁵ | Name of Noteholder (entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g., Loan, Services, etc.) |
|-----------------------------------|-----------------------------------|--|----------------------|---|----------------------------|---|--|--|
| <u>1/31/2020</u> | <u>\$3,000,000</u> | <u>\$3,060,493</u> | <u>1/31/2026</u> | <u>The lower of \$0.012/share or 20% Discount to Major Next Financing</u> | <u>0</u> | <u>25,000,000</u> | <u>KGPLA, LLC /Michael Komaransky*</u> | <u>Convertible Loan for Working Capital</u> |
| Total Outstanding Balance: | | <u>\$3,060,493</u> | Total Shares: | | <u>0</u> | <u>25,000,000</u> | | |

Any additional material details, including footnotes to the table are below:

* Represents control person.

⁵ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Athena Bitcoin Global (f.k.a. GamePlan, Inc.), a Nevada corporation, and its wholly owned subsidiary, Athena Bitcoin, Inc., a Delaware corporation (together referred to as "Athena Global" or "the Company") is a provider of various crypto asset transaction platforms, including the operation of kiosk and personalized services (Athena Plus) for the purpose of selling and buying crypto assets, white-label operations and payment services. The Company's network of Athena Bitcoin ATMs operates in thirty-three states and the territory of Puerto Rico in the United States, and 4 countries in Central and South America. The Company places its machines in convenience stores, shopping centers, and other easily accessible locations. The Company deals exclusively in Bitcoin in its ATMs. Athena Plus services deals predominantly with Bitcoin and USDT.

- B. List any subsidiaries, parent company, or affiliated companies.

Athena Bitcoin, Inc. (entity controlled by the Company incorporated in Delaware, US).
Athena Bitcoin S. de C.V. (entity controlled by the Company incorporated in Mexico).
Athena Holdings Colombia SAS (entity controlled by the Company incorporated in Colombia).
Athena Holding Company S.R.L (entity controlled by the Company incorporated in Argentina).
Athena Holdings of PR LLC (entity controlled by the Company incorporated in Puerto Rico).
Athena Holdings El Salvador, S.A. de C.V. (entity controlled by the Company incorporated in El Salvador).
Athena Business Holdings Panama S.A. (entity controlled by the Company incorporated in Panama).

- C. Describe the issuers' principal products or services.

The Company's Bitcoin ATMs are a convenient and fast way for consumers to quickly purchase and sell Bitcoin. The consumer can quickly complete a comprehensive and risk adjusted process of KYC/AML due diligence using the machine's onboard scanners and cameras. In the workflow for purchasing Bitcoin, after authenticating the user, the Bitcoin ATM will accept their wallet address. The customer does not need to have a specific wallet or smartphone app, as all wallets can be used with Athena's Bitcoin ATM. The amount of Bitcoin sold in the Company's US machines varies from as little as \$1 up to several thousand dollars allowing customers to choose exactly how much they wish to spend.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

Please refer to the Company's Consolidated Financial Statements for the years ended December 31, 2024 and 2023 along with the Notes to Consolidated Financial Statements and in particular Note 15 Commitments and Contingencies - Operating Leases, Note 4 Crypto Assets Held, Net and Note 17 Subsequent Events of those financial statements.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

| Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity) | Position/Company Affiliation (ex: CEO, 5% Control person) | City and State (Include Country if outside U.S.) | Number of Shares Owned (List common, preferred, warrants and options separately) | Class of Shares Owned | Percentage of Class of Shares Owned (undiluted) |
|---|---|--|--|------------------------------|---|
| <u>Matias Goldenhorn</u> | <u>CEO, Director</u> | <u>Miami, FL</u> | <u>4,356,423</u> | <u>Common Stock</u> | <u>0.1%</u> |
| <u>Eric Gravenqaard</u> ¹ | <u>Former Director</u> | <u>Winnetka, IL</u> | <u>1,151,484,077</u> | <u>Common Stock</u> | <u>28.1%</u> |
| <u>Michael Komaransky</u> ² | <u>Former Director</u> | <u>Pinecrest, FL</u> | <u>1,521,141,192</u> | <u>Common Stock</u> | <u>37.2%</u> |
| <u>Swingbridge LLC and related entities</u> ³ | <u>Over 5% Owner</u> | <u>Chicago, IL</u> | <u>429,494,749</u> | <u>Common Stock</u> | <u>10.5%</u> |
| <u>Jason Lu</u> | <u>Director</u> | <u>Miami, FL</u> | <u>0</u> | <u>Common Stock</u> | <u>0.0%</u> |
| <u>Carlos Carreno</u> | <u>COO, Director</u> | <u>Miami Beach, FL</u> | <u>0</u> | <u>Common Stock</u> | <u>0.0%</u> |
| <u>Omar Jimenez</u> | <u>CFO, Director</u> | <u>Miami, FL</u> | <u>0</u> | <u>Common Stock</u> | <u>0.0%</u> |
| <u>Renata Szkoda</u> | <u>Director</u> | <u>Chicago, IL</u> | <u>0</u> | <u>Common Stock</u> | <u>0.0%</u> |
| <u>Eval Segal</u> | <u>Former Interim CFO</u> | <u>Glencoe, IL</u> | <u>0</u> | <u>Common Stock</u> | <u>0.0%</u> |
| <u>Antonio Valiente</u> | <u>Former Director</u> | <u>San Juan, Puerto Rico</u> | <u>0</u> | <u>Common Stock</u> | <u>0.0%</u> |
| <u>Mike Lingle</u> | <u>CTO</u> | <u>Miami, FL</u> | <u>0</u> | <u>Common Stock</u> | <u>0.0%</u> |

¹ Consists of: (i) 863,960,473 shares of common stock held of record by Eric Gravenqaard, as Trustee of the Eric L. Gravenqaard Trust of 2011 and (ii) 287,523,604 shares of common stock held of record by Eric Gravenqaard and does not reflect the ongoing transfer of 287,523,604 shares of common stock from Mr. Gravenqaard to Liberty Digital Holdings, LLC, which has not been completed

² Represents control person, 1,521,141,192 shares of common stock held of record by Athena Equity LLC, an entity beneficially owned and controlled by Mr. Komaransky

³ Consists of: (i) 191,454,966 shares of common stock held of record by Swingbridge Crypto I LLC; (ii) 50,271,880 shares of common stock held of record by Swingbridge Crypto II LLC; (iii) and 187,767,904 shares of common stock held of record by Swingbridge Crypto III LLC. Tom Kerestes is the manager and beneficial owner of Swingbridge Crypto I LLC, Swingbridge Crypto II LLC and Swingbridge Crypto III LLC.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person’s involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

Please refer to the Company’s Consolidated Financial Statements for the years ended December 31, 2024 and 2023 along with the Notes to Consolidated Financial Statements and in particular Note 15 Commitments and Contingencies – Legal Matters.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

| | |
|------------|------------------------------------|
| Name: | <u>Iwona J. Alami</u> |
| Address 1: | <u>620 Newport Center Dr #1100</u> |
| Address 2: | <u>Newport Beach, CA 92660</u> |
| Phone: | <u>949-200-4626</u> |
| Email: | <u>iwona@alamilawgroup.com</u> |

Accountant or Auditor

Name: Michael Fernandez
Firm: FGMK, LLC
Address 1: 333 W. Wacker Drive, 6th Floor
Address 2: Chicago, IL 60606
Phone: 847-886-5917
Email: mfernandez@fgmk.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): <https://x.com/AthenaBitcoin>
Discord: N/A
LinkedIn: <https://www.linkedin.com/company/athenabitcoin>
Facebook: N/A
[Other] N/A

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: **Noreen Tuminello**
Title: **Corporate Controller**
Relationship to Issuer: **Corporate Controller**

B. The following financial statements were prepared in accordance with:

- IFRS
- U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Omar Jimenez
Title: Chief Financial Officer
Relationship to Issuer: Principal Financial & Accounting Officer

Describe the qualifications of the person or persons who prepared the financial statements:⁶ Operationally oriented CFO with over 36 years of experience in both public and private companies of which 25 years were with companies listed on Nasdaq.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Matias Goldenhorn certify that:

1. I have reviewed this Disclosure Statement for Athena Bitcoin Global;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

03/25/2025 [Date]

/s/Matias Goldenhorn [CEO's Signature]

⁶ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Omar Jimenez certify that:

1. I have reviewed this Disclosure Statement for Athena Bitcoin Global;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

03/25/2025 [Date]

/s/ Omar Jimenez [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

CONSOLIDATED FINANCIAL STATEMENTS
Athena Bitcoin Global and Subsidiaries
For the years ended December 31, 2024 and 2023

Athena Bitcoin Global and Subsidiaries
Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

Contents

Financial Statements

| | |
|---|---|
| <u>Report of Independent Registered Public Accounting Firm</u> | 1 |
| <u>Consolidated Balance Sheets</u> | 2 |
| <u>Consolidated Statements of Operations and Comprehensive Income</u> | 4 |
| <u>Consolidated Statements of Cash Flows</u> | 5 |
| <u>Consolidated Statements of Stockholders' Equity (Deficit)</u> | 7 |
| <u>Notes to Consolidated Financial Statements</u> | 8 |



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Athena Bitcoin Global and Subsidiaries

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Athena Bitcoin Global and Subsidiaries (the “Company”) as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive income, stockholders’ equity (deficit), and cash flows for each of the years ended December 31, 2024 and 2023, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

FGMK, LLC

We have served as the Company’s auditor since 2024.

Chicago, Illinois
March 25, 2025

Athena Bitcoin Global and Subsidiaries
Consolidated Balance Sheets
(in thousands, except number of shares)

| | December 31, 2024 | December 31, 2023 |
|--|------------------------------|------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents, net | \$ 17,506 | \$ 18,105 |
| Restricted cash held for customers | 122 | 255 |
| Crypto assets held, net | 1,241 | 421 |
| Accounts receivable, net | 1,339 | 625 |
| Prepaid expenses and other current assets | 2,702 | 425 |
| Total current assets | 22,910 | 19,831 |
| Property and equipment, net | 16,245 | 6,295 |
| Software development, net | 5,239 | 517 |
| Right of use assets – operating leases | 33,613 | 21,068 |
| Right of use assets – finance leases | – | 991 |
| Other noncurrent assets | 26 | 11 |
| Total assets | <u>\$ 78,033</u> | <u>\$ 48,713</u> |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 11,133 | \$ 6,027 |
| Accounts payable, related-party | 818 | 796 |
| Liability for cash held for customers | 122 | 255 |
| Operating lease liabilities, current portion | 9,627 | 7,205 |
| Finance lease liabilities, current portion | – | 1,075 |
| Income tax payable | – | 349 |
| Long-term debt, current portion | – | 546 |
| Equipment notes payable, current portion | 3,084 | – |
| Short-term debt | 256 | 95 |
| Note payable, related-party | – | 4,000 |
| Other current liabilities | 376 | 88 |
| Total current liabilities | <u>\$ 25,416</u> | <u>\$ 20,436</u> |

See accompanying notes to consolidated financial statements.

Athena Bitcoin Global and Subsidiaries
Consolidated Balance Sheets
(in thousands, except number of shares)

| | December 31, 2024 | December 31, 2023 |
|---|------------------------------|------------------------------|
| Long-term liabilities: | | |
| Operating lease liabilities, net of current portion | \$ 23,986 | \$ 13,863 |
| Equipment notes payable, net of current portion | 3,344 | – |
| Deferred tax liabilities, net | 914 | 396 |
| Convertible debt, related-party | 3,000 | 3,000 |
| Total long-term liabilities | <u>31,244</u> | <u>17,259</u> |
| Total liabilities | <u>56,660</u> | <u>37,695</u> |
| Commitments and contingencies (Note 15) | | |
| Stockholders' equity: | | |
| Preferred stock, \$0.001 par value 5,000,000,000 shares authorized; No shares issued and outstanding as of December 31, 2024 and 2023, respectively. | – | – |
| Common stock, \$0.001 par value 10,000,000,000 shares authorized; 4,095,009,545 and 4,094,459,545 shares issued and outstanding as of December 31, 2024 and 2023, respectively. | 4,095 | 4,094 |
| Additional paid in capital | 11,982 | 11,926 |
| Accumulated income (deficit) | 5,537 | (4,747) |
| Accumulated other comprehensive loss | (241) | (255) |
| Total stockholders' equity | <u>21,373</u> | <u>11,018</u> |
| Total liabilities and stockholders' equity | <u>\$ 78,033</u> | <u>\$ 48,713</u> |

See accompanying notes to consolidated financial statements.

Athena Bitcoin Global and Subsidiaries
Consolidated Statements of Operations and Comprehensive Income
(in thousands, except number of shares)

| | For the years ended | |
|---|------------------------------|------------------------------|
| | December 31, 2024 | December 31, 2023 |
| Revenues | \$ 285,391 | \$ 191,807 |
| Cost of revenues | 247,391 | 162,624 |
| Gross profit | 38,000 | 29,183 |
| Operating expenses: | | |
| Technology and development | 1,351 | 978 |
| General and administrative | 10,513 | 5,714 |
| Sales and marketing | 1,898 | 550 |
| Credit loss expense | 798 | – |
| Litigation expense | 3,000 | – |
| Other operating expense | 1,149 | 428 |
| Total operating expenses | 18,709 | 7,670 |
| Income from operations | 19,291 | 21,513 |
| Impairment on capitalized software development | – | 2,383 |
| Interest expense | 1,884 | 2,380 |
| Fees on virtual vault services | 2,059 | 1,039 |
| Other expense | 331 | 25 |
| Income before income taxes | 15,017 | 15,686 |
| Income tax expense | 4,733 | 4,490 |
| Net income | \$ 10,284 | \$ 11,196 |
| Basic earnings per share | \$ 0.00251 | \$ 0.00282 |
| Diluted earnings per share | \$ 0.00236 | \$ 0.00256 |
| Weighted average shares outstanding - Basic | 4,094,816,668 | 3,975,320,084 |
| Weighted average shares outstanding - Diluted | 4,466,443,337 | 4,463,674,048 |
| Comprehensive income | | |
| Net income | \$ 10,284 | \$ 11,196 |
| Foreign currency translation adjustment, net of tax | 14 | (80) |
| Comprehensive income | \$ 10,298 | \$ 11,116 |

See accompanying notes to consolidated financial statements.

Athena Bitcoin Global and Subsidiaries
Consolidated Statements of Cash Flows
(in thousands)

| | For the years ended | |
|---|------------------------------|------------------------------|
| | December 31, 2024 | December 31, 2023 |
| Operating activities | | |
| Net income | \$ 10,284 | \$ 11,196 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 5,173 | 2,199 |
| Impairment of crypto assets held | 1,779 | 440 |
| Impairment of capitalized software development | – | 2,383 |
| Credit loss expense | 798 | – |
| Realized loss on crypto assets, net | 22 | 14 |
| Bitcoin payments for expenses | 3,680 | 6,347 |
| Loss on disposal of property and equipment, net | – | 245 |
| Deferred income tax | 518 | 366 |
| Non-cash stock-based compensation expense | – | 35 |
| Changes in operating assets and liabilities: | | |
| Crypto assets held | (8,335) | (8,136) |
| Accounts receivable | (1,512) | (516) |
| Prepaid expenses and other assets | (2,292) | 136 |
| Liability for cash held for customers | (133) | (852) |
| Accounts payable and other liabilities | 7,694 | 2,260 |
| Net cash provided by operating activities | <u>17,676</u> | <u>16,117</u> |
| Investing activities | | |
| Purchases of property and equipment | (6,775) | (2,287) |
| Purchase of capitalized software development | (3,037) | (155) |
| Net cash used in investing activities | <u>(9,812)</u> | <u>(2,442)</u> |
| Financing activities | | |
| Proceeds from debt | 456 | 4,160 |
| Repayment of debt | (4,841) | (3,268) |
| Payments in reduction of financing leases | (1,150) | – |
| Payments in reduction of equipment notes payable | (3,132) | – |
| Proceeds from issuance of stock | 57 | – |
| Net cash (used in) provided by financing activities | <u>(8,610)</u> | <u>892</u> |
| Effect of exchange rate changed on cash and cash equivalents | 14 | (80) |
| Net (decrease) increase in cash and cash equivalents | (732) | 14,487 |
| Cash, cash equivalents and restricted cash, beginning of period | 18,360 | 3,873 |
| Cash, cash equivalents and restricted cash, end of period | <u>\$ 17,628</u> | <u>\$ 18,360</u> |

See accompanying notes to consolidated financial statements.

Athena Bitcoin Global and Subsidiaries
Consolidated Statements of Cash Flows (continued)
(in thousands)

| | For the years ended | |
|--|------------------------------|------------------------------|
| | December 31, 2024 | December 31, 2023 |
| Cash, cash equivalents, and restricted cash consisted of the following: | | |
| Cash and cash equivalents | \$ 17,506 | \$ 18,105 |
| Restricted cash held for customers | 122 | 255 |
| Total cash, cash equivalents and restricted cash | \$ 17,628 | \$ 18,360 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for interest | \$ 711 | \$ 406 |
| Cash paid for taxes | \$ 6,180 | \$ 4,529 |
| Leased assets obtained in exchange for operating lease liabilities | \$ 17,797 | \$ 19,796 |
| Leased assets obtained due to remeasurement of lease term | \$ 6,115 | \$ – |
| Leased assets obtained in exchange for finance lease liabilities | \$ – | \$ 1,049 |
| Supplemental schedule of non-cash investing and financing activities | | |
| Property and equipment purchased in accounts payable | \$ 73 | \$ 736 |
| Software development purchased in accounts payable | \$ 2,499 | \$ – |
| Accounts payable refinanced with equipment notes payable | \$ 2,500 | \$ – |
| Purchase of property and equipment under finance lease | \$ 693 | \$ – |
| Purchase of property and equipment financed with equipment notes payable | \$ 9,778 | \$ 2,500 |
| Imputed interest on property and equipment financed with equipment notes payable | \$ 1,585 | \$ – |
| Bitcoin used to buy property and equipment | \$ 181 | \$ 248 |
| Bitcoin used to pay interest | \$ 1,037 | \$ 1,906 |
| Bitcoin and Tether used for other payments | \$ 1,853 | \$ 1,031 |

See accompanying notes to consolidated financial statements.

Athena Bitcoin Global and Subsidiaries
Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except number of shares)

| | <u>Common Stock</u> | | <u>Additional</u> | <u>Accumulated</u> | <u>Accumulated</u> | <u>Total</u> |
|---|----------------------|-----------------|-------------------|-------------------------|----------------------|------------------|
| | <u>Shares</u> | <u>Amount</u> | <u>Paid-in</u> | <u>Income (Deficit)</u> | <u>Other</u> | |
| | | | <u>Capital</u> | | <u>Comprehensive</u> | |
| | | | | | <u>Loss</u> | |
| Balance, December 31, 2022 | 4,094,459,545 | \$ 4,094 | \$ 11,891 | \$ (15,943) | \$ (175) | \$ (133) |
| Net income | – | – | – | 11,196 | – | 11,196 |
| Foreign currency translation adjustment | – | – | – | – | (80) | (80) |
| Extension of loans to employees | – | – | 35 | – | – | 35 |
| Balance, December 31, 2023 | <u>4,094,459,545</u> | <u>\$ 4,094</u> | <u>\$ 11,926</u> | <u>\$ (4,747)</u> | <u>\$ (255)</u> | <u>\$ 11,018</u> |
| Net income | – | – | – | 10,284 | – | 10,284 |
| Foreign currency translation adjustment | – | – | – | – | 14 | 14 |
| Issuance of stocks | 550,000 | 1 | 56 | – | – | 57 |
| Balance, December 31, 2024 | <u>4,095,009,545</u> | <u>\$ 4,095</u> | <u>\$ 11,982</u> | <u>\$ 5,537</u> | <u>\$ (241)</u> | <u>\$ 21,373</u> |

See accompanying notes to consolidated financial statements.

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

NOTE 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Athena Bitcoin Global (f.k.a. GamePlan, Inc.), a Nevada corporation, and its wholly-owned subsidiary, Athena Bitcoin, Inc., a Delaware corporation (together referred to as “Athena Global” or the “Company”) is a provider of various crypto asset transaction platforms, including the operation of automated teller machines (“ATMs”) and personalized services (“Athena Plus”) for the purpose of selling and buying crypto assets, white-label operations and payment services. The Company’s network of Athena Bitcoin ATMs (“Athena ATMs”) is active in thirty-three states and the territory of Puerto Rico in the United States, and 4 countries in Central and South America as of December 31, 2024. The Company places its machines in convenience stores, shopping centers, and other easily accessible locations.

The Company has changed its name to Athena Bitcoin Global from GamePlan, Inc. in a filing with the Secretary of State of the State of Nevada effective as of April 15, 2021.

Athena Bitcoin Global was incorporated in the state of Nevada in 1991 under the name “GamePlan, Inc.” for the sole purpose of merging with Sunbeam Solar, Inc., a Utah corporation, which merger occurred as of December 31, 1991. The Articles of Merger were filed in the state of Nevada pursuant to which the Company was the surviving entity following the merger. The Company filed form 10-SB with the Securities and Exchange Commission in September 1999 thus becoming a reporting company under section 12(g) of the Securities and Exchange Act of 1934. The Company subsequently filed Form 15 in March 2015, terminating its reporting status.

On January 14, 2020, Athena Bitcoin Global entered into a Share Exchange Agreement (the “Agreement”), between the Company, Athena Bitcoin, Inc., a Delaware corporation (“Athena”) founded in 2015, and certain shareholders of Athena Bitcoin, Inc. The Agreement provided for the reorganization of Athena Bitcoin, Inc., with and into Athena Bitcoin Global, resulting in Athena becoming a wholly-owned subsidiary of the Company upon the closing of the transaction. The agreement was for the exchange of 100% shares of the outstanding Common Stock of Athena, for 3,593,644,680 shares of the Company’s common stock (an exchange rate of 1,244.69 shares of the Company’s stock for each share of Athena stock). The closing of the transaction occurred as of January 30, 2020.

As the result of this transaction, the former shareholders of Athena acquired the majority (88%) of the voting rights of the Company and Athena had control of the Company’s board of directors. Also, the senior management of Athena became the management of the combined entity. Therefore, the Company determined that the Share Exchange Agreement was a reverse acquisition as defined in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 805-10-55-12, and Athena is considered the accounting acquirer pursuant to FASB ASC 805-40-45-2. Accordingly, the historical financial statements prior to the Share Exchange Agreement are those of Athena, except that the historical equity of the Company has been retroactively restated to reflect the number of shares received in the business combination at the exchange rate of 1,244.69 shares of the Company’s common stock for each share of Athena common stock. All share and per share information included in these consolidated financial statements have been adjusted to reflect the 1,244.69 to 1 share conversion.

Athena Bitcoin Global has 4,095,009,545 and 4,094,459,545 shares issued and outstanding as of December 31, 2024, and 2023, respectively, and authorized capital of 10,000,000,000 shares as of December 31, 2024, and 2023.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Athena Bitcoin Global, Athena Bitcoin, Inc. and its wholly owned subsidiaries, Athena Bitcoin S. de C.V., incorporated in Mexico; Athena Holdings Colombia SAS, incorporated in Colombia; Athena Holding Company S.R.L, incorporated in Argentina; Athena Holdings of PR LLC, incorporated in Puerto Rico; Athena Holdings El Salvador, S.A. de C.V., incorporated in El Salvador; and Athena Business Holdings Panama S.A. incorporated in Panama. All significant intercompany account balances and transactions have been eliminated in consolidation.

A summary of the Company’s significant accounting policies is as follows:

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

Use of Estimates

The preparation of the consolidated financial statements, in accordance with U.S. GAAP, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Actual results could differ from those estimates. Significant estimates and assumptions made by management are used for, but not limited to, present value of lease liabilities and right-of-use assets, contingencies, impairment of crypto assets held, valuation of current and deferred income taxes and impairment assessment for long-lived assets. These estimates are based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

Revenue Recognition

The Company derives its recurring revenues primarily from three sources: (i) sale of crypto assets at Bitcoin ATMs (both Athena ATMs and White-label ATMs such as those in El Salvador), (ii) customized investor trading services for the sale or purchase of crypto assets through the Company's Athena Plus desk (referred to as "over-the-counter" or "OTC") and (iii) Athena Pay which is a payment processor application ("app"); that allows retailers to create QR codes with the specific amount to be charged to customers in Bitcoin. The Company also generates revenue from ancillary items, such as sale of intellectual property and maintenance of software.

Under FASB ASC 606, Revenue Recognition, ("FASB ASC 606") the Company recognizes revenue at the point of sale or over time of the service period for these products or services to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services. Pursuant to FASB ASC 606, the Company recognizes revenue by applying the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company recognizes revenue when performance obligations identified under the terms of contracts with its customers are satisfied.

Judgment is required in determining whether we are the principal or the agent in transactions between customers. We evaluate the presentation of revenue on a gross or net basis based primarily on inventory risk (are we at risk for potentially fluctuations of the crypto asset price) and whether we control the crypto asset provided before it is transferred to the customer or whether we act as an agent by arranging for others to provide the crypto asset to the customer. The Company determined it acts as the principal in each of its revenue streams. The Company enters into contracts that may include multiple performance obligations. The Company identifies the promises in the contract and assigns them to their appropriate performance obligation. These performance obligations may be part of a different revenue source and are listed separately below.

Athena ATM & White-label Service

Athena ATM

The Company requires all users of the Athena ATM to agree to ATM Terms of Service which stipulate the terms and conditions of the transaction. The user, by inserting sovereign currency (known as fiat) and confirming that they agree to the transaction, is agreeing to the contract that governs the transaction.

The Company has a single performance obligation to provide a specific quantity of a Bitcoin to the customer's crypto wallet in exchange for fiat. The Company utilizes a mark-up for crypto assets sold to the customer. Athena ATMs permit customers to purchase as little as one US dollar of Bitcoin, and it records the gross cash received from the customer as the transaction price.

Revenue is recognized at the point in time when the Bitcoin is delivered to the customer's crypto wallet. Delivery to the customer's crypto wallet is governed by the Bitcoin's blockchain and typically occurs in less than an hour from when the Bitcoin is purchased.

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

White-label Service

In this revenue stream, “client” refers to the entity contracting with the Company while “customer” refers to the person using the White-label ATM. The Company entered into multiple contracts that govern the white-label service for ATMs located in El Salvador and in the United States. The contracts permit the clients to terminate the contract at any point or to adjust the number of ATMs that are in use without a substantive penalty.

The Company operates White-label ATMs on behalf of the clients and the installation of the ATMs is performed by a third-party which is chosen by the White-label ATM client.

The operations, on behalf of the White-label client, includes cash logistics services, and testing the ATMs. The Company charges a fixed fee each month for operating the ATMs.

The Company leases Company-owned ATMs to its clients. The Company elected the expedient in FASB ASC 842, Leases (“ASC 842”), which permits combining the lease and non-lease components together if the lease component has the same timing and pattern of transfer as the non-lease component and the lease component is an operating lease. Both of these conditions are met (for a more detailed discussion see Leases within NOTE 1 below.

The Company is considered the principal, as it controls any third-party good or service before it is transferred to the client.

For operating the White-label ATM, revenue is recognized straight line over the requisite service period.

Athena Plus (Over-The-Counter or OTC)

The Company requires all users of Athena Plus (a.k.a. “Over-The-Counter” or “OTC”) to agree to Athena Plus Terms of Service. The Athena Plus Terms of Service stipulate the terms and conditions of the transaction. The user, by wiring fiat to the Company’s bank account, is agreeing to the contract that governs the transaction.

The Company provides a specific quantity of a Bitcoin to the customer’s crypto wallet. The Company utilizes a mark-up for crypto assets sold to the customer. The minimum transaction is \$10 (or equivalent value of local currency). The Company records the gross cash received from the customer as the transaction price for the transaction.

Revenue is recognized at the point in time when the Bitcoin is delivered to the customer’s crypto wallet. Delivery to the customer’s crypto wallet is governed by the Bitcoin’s blockchain and typically occurs in less than an hour from when the Bitcoin is purchased.

Athena Pay

The Company requires all retailers who are using Athena Pay to execute the Athena Pay contract which stipulates the terms and conditions of the transactions. As a payment processor, the Company recognizes a processing fee of approximately 2.5% (average) of the transaction amount, when the transaction occurs (i.e., when the retailer generates the QR code with the specific amount to be charged to the customers in Bitcoin and the transaction is completed).

Revenue is recognized at the point in time when the Bitcoin is delivered to the retailer’s crypto wallet. Delivery to the retailer’s crypto wallet is governed by the Bitcoin’s blockchain and typically occurs in less than an hour from when the transaction is completed.

Cost of Revenues

Cost of revenues consists primarily of expenses related to the acquisition of Bitcoin; including the costs to purchase Bitcoin from users of the Company’s ATMs and from third-party exchanges which are assigned on a first-in, first-out basis, and cost of revenues includes the costs of operating the ATMs from which Bitcoin are sold (including the associated rent expense, related incentives, ATM cash losses, software licensing fees for the ATMs, depreciation, insurance, and utilities), crypto asset impairment and fees paid to service the ATMs and the transport of cash to the banks.

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash maintained at various financial institutions, cash in transit, and cash in ATMs owned and leased by the Company.

The Company maintains cash balances at various financial institutions. Accounts at these institutions are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250 per institution. The Company has deposits in excess of the FDIC-insured limit. The Company has not experienced any losses in such accounts and believes that it is not exposed to significant credit risk due to the financial position of the depository institutions, third-party crypto exchanges or investment vehicles in which those deposits are held. The Company has significant cash in ATMs, held on various third-party crypto exchanges and in transit with cash logistic providers. Management evaluates cash in transit based on outstanding cash deposits on cash picked up by the armored truck companies, historical cash deposits and cash that is lost during transit, which is immaterial. The armored truck companies maintain insurance over theft and losses.

Cash in transit consists of cash that is picked up by armored truck companies from the Company's ATMs but not yet deposited in the Company's bank accounts. As of December 31, 2024 and 2023, the Company had cash in transit of \$5,491 and \$6,164, respectively net of an allowance for cash lost in transit of \$1,296 and \$200. The Company recognized \$1,096 and \$200 of cash losses for cash in transit which are included in other operating expense in the consolidated statements of operations and comprehensive income for the years ended December 31, 2024 and 2023, respectively.

Restricted Cash Held for Customers

Restricted cash held for customers consists of money on hand received from customers of the White-label clients for replenishment of ATMs.

Accounts Receivable

Accounts receivables are unconditional, uncollateralized customer obligations and are stated at the amount the Company expects to collect. The carrying amount of accounts receivable is reduced by an allowance for credit losses. The Company's allowance for credit losses represents the estimate of expected credit losses related to accounts receivable. To estimate the allowance for credit losses, the Company leverages information on historical losses, asset-specific risk characteristics, current conditions and reasonable and supportable forecast of future conditions. Account balances are written off against the allowance when the Company deems the amount is uncollectable.

The Company measures collectability of its accounts receivables using the current expected credit loss ("CECL") method. The measurement of CECL applies to all financial assets measured at amortized cost, including receivables for revenue. The Company recognized no allowance for credit losses as of December 31, 2024, and 2023, respectively. During the years ended December 31, 2024 and 2023, there was credit loss expense of \$798 and \$0, respectively.

Software Development Costs

The Company capitalizes internal software development costs subsequent to establishing technological feasibility of a software application in accordance with guidelines established by FASB ASC 985-20-25 "*Costs of Software to Be Sold, Leased, or Marketed*", requiring certain software development costs to be capitalized upon the establishment of technological feasibility. The establishment of technological feasibility and the ongoing assessment of the recoverability of these costs require considerable judgment by management with respect to certain external factors such as anticipated future revenue, estimated economic life, and changes in software and hardware technologies. Amortization of the capitalized software development costs begins when the product is available for general release to customers.

Capitalized software consists of costs related to the design, coding, testing and documentation of software, as well as salaries and compensation costs for employees, fees paid to third-party consultants who are directly involved in development efforts, and costs incurred for upgrades and enhancements to add functionality of the software. Other costs that do not meet the capitalization criteria are expensed as incurred. The criteria for capitalization include the completion of the preliminary project stage, demonstration of feasibility of the project and the ability to reliably estimate future economic benefits. Capitalized software is subject to periodic impairment tests

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

to ensure that the carrying value of the asset is not overstated. If an impairment is identified, the carrying value of the capitalized software will be reduced to its recoverable amount. Software development is amortized over its estimated useful life of five years.

In accordance with FASB ASC 350-30-65 “Goodwill and Other Intangible Assets”, the Company assesses the impairment of identifiable intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors the Company considers important, which could trigger an impairment review include the following:

1. Significant underperformance compared to historical or projected future operating results;
2. Significant changes in the manner or use of the acquired assets or the strategy for the overall business; and
3. Significant negative industry or economic trends.

When the Company determines that the carrying value of an intangible asset may not be recoverable based upon the existence of one or more of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent to the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows.

For the year ended December 31, 2023, the Company recognized an impairment for its capitalized software cost of \$2,383 as discussed in *NOTE 6. SOFTWARE DEVELOPMENT*. There was no impairment for the year ended December 31, 2024.

Leases

The Company determines if an arrangement is a lease at inception. The Company determines if an arrangement is a lease, or contains a lease, primarily by determining if the arrangement conveys to the Company the right to control or use an identified asset. The Company classifies its arrangements for ATM retail spaces as operating leases. The Company has classified certain arrangements for ATMs as finance leases. The Company does not have any significant arrangements where it is the lessor.

The Company elected to separate lease and non-lease components for arrangements where the Company is a lessee. The Company determined the relative standalone price of the separate lease components and non-lease components by utilizing observable information to estimate the standalone price of each component. The Company allocated the consideration on a relative standalone price basis to the separate lease components and the non-lease components of the contract.

Leases with an initial lease term of 12 months or less are not recorded on the consolidated balance sheets. Operating lease expense is recognized on a straight-line basis over the lease term.

Operating and finance lease right of use (“ROU”) assets and operating and finance lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The right of use assets is shown net of subsequent amortization. The Company's leases do not contain material residual value guarantees or material restrictive covenants. For purposes of calculating lease obligations, the Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such option. The discount rate used to measure the Company's lease obligation is its incremental borrowing rate at lease commencement. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term while finance lease ROU assets are amortized on a straight-line basis and interest expense is recorded over the lease term based on the incremental borrowing rate and the amount of lease liability outstanding during each month.

The operating and finance lease assets also include any initial direct costs and lease payments made prior to lease commencement and excludes lease incentives incurred.

Concentration of Credit Risk

The Company's revenues, other than White-label services discussed below (as well as in *Revenue Recognition Athena ATMs in NOTE 1*), are generated primarily from ATM sales to customers. As the Company collects all amounts from these customers and holds \$0 in

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

accounts receivable from its ATM or Athena Plus (Over-the-Counter) customers, there is no credit risk associated with customer concentration for these customers.

The Company has revenues from White-label services in El Salvador and ancillary sales to customers where it provides services on customary credit terms, typically Net 30 or Net 60. As of December 31, 2024 and 2023, one customer, Chivo, Sociedad Anónima de Capital Variable, represented substantially all of the Company’s total accounts receivable balance.

No single customer is responsible for over 10% of revenue for the years ended December 31, 2024 and 2023.

Property and Equipment, Net

Property and equipment are stated at cost, net of accumulated depreciation. Equipment is depreciated over the estimated useful lives of the assets. Repairs and maintenance costs are expensed as incurred.

Following are the estimated useful lives by type:

| <i>Description</i> | <i>Estimated Useful Life</i> |
|--------------------|------------------------------|
| Computer equipment | Three years |
| ATM equipment | Three years |
| Office equipment | Three to Six years |

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment in accordance with FASB ASC 360 – Property, Plant and Equipment whenever events or changes in circumstances have indicated that an asset may not be recoverable. Management has determined there was no impairment of long-lived assets as of December 31, 2024, and 2023.

Crypto Assets Held, Net

The Company’s crypto assets are Bitcoin and Tether (USDt) and they are considered indefinite-lived intangible assets under FASB ASC 350 – Intangibles—Goodwill (“ASC 350”) and are initially measured at cost and are not amortized. As intangible assets, Bitcoin and Tether held are initially recorded at cost and tested for impairment at the end of the month. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the Bitcoin and Tether at the time its fair value is being measured in its principal market. The Company continuously assesses Bitcoin and Tether for impairment.

The Company purchases Bitcoin, which is held in the Company’s hot wallets, on a just-in-time basis to facilitate sales to customers and mitigate exposure to volatility in Bitcoin prices. As of July 19, 2023, the Company only transacts in Bitcoin at its ATMs in exchange for cash, on a predetermined markup at the time of the transaction. However, there may be multiple days between the purchase of the Bitcoin and the sale of the Bitcoin. The Company has determined that a decline in the quoted market price below the carrying value at any time during the assessed period is viewed as an impairment indicator because the cryptocurrencies are traded in active markets where there are observable prices. Therefore, the fair value is used to assess whether an impairment loss should be recorded. If the fair value of the cryptocurrency decreases below the initial cost basis or the carrying value during the assessed period, an impairment charge is recognized at that time in cost of revenue in the consolidated statements of operations and comprehensive income. After an impairment loss is recognized, the adjusted carrying amount of the cryptocurrency becomes its new accounting basis and this new cost basis will not be adjusted upward for any subsequent increase in fair value. For purposes of measuring impairment on its cryptocurrencies, the Company determines the fair value of its cryptocurrency on a non-recurring basis in accordance with FASB ASC 820 – Fair Value Measurement (“ASC 820”), based on quoted (unadjusted) prices on active exchanges in the United States that the Company has determined is its principal market (Level 1 inputs). The Company assigns cost to transactions on a first-in, first-out basis. Gains on such assets are not recorded or recognized until their final disposition. For the years ended December 31, 2024 and 2023, the Company had impairment charges related to Bitcoin held of \$1,779 and \$440, respectively.

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

When Bitcoin is sold to customers, the Company relieves the adjusted cost basis of the crypto asset, net of impairments, on a first-in, first-out basis within cost of revenue. The related cash flows from purchases and sales of cryptocurrencies are presented as cash flows from operating activities on the consolidated statements of cash flows.

Expenses Paid in Bitcoin

The Company enters into agreements with certain vendors and service providers that provide us with the option to settle their invoices in Bitcoin. The amount due is fixed and is denominated in USD. There are no payment terms that include conversion options, variable settlement features, or alternative settlement provisions contingent upon future events or market price fluctuations that could potentially give rise to embedded derivatives.

The Company considers the guidance in FASB ASC 350, FASB ASC 606, FASB ASC 610, and FASB ASC 845 when it evaluates the derecognition of its Bitcoin paid to vendors in lieu of cash payments. In these transactions, the Company has been invoiced by a vendor and given the option to pay in USD or Bitcoin. The amount of Bitcoin is determined by the market price in accordance with the guidance of FASB ASC 820. The Company records as an expense the USD value of the invoice and then considers the above references to determine the proper way to derecognize the indefinite-lived intangible assets used as payment.

The Company records invoices from vendors in USD and for vendors who elect to be paid in Bitcoin, the Company transfers Bitcoin at market value at the time of transfer in line with ASC 820, Fair Value Measurement. The Company then recognize as a gain or loss, the difference between the current carrying value of the Bitcoin, less impairment and its value at the time of transfer to cost of revenues in the consolidated statements of operations and comprehensive income.

The Company had losses related to the derecognition of Bitcoin of \$22 and \$14 for the years ended December 31, 2024 and 2023, respectively.

Foreign Currency

The functional currency of the Company's foreign operations is generally the local currency. For these foreign entities, the Company translates their financial statements into U.S. dollars using average exchange rates for the period for income statement amounts and using end-of-period exchange rates for assets and liabilities. The Company records these translation adjustments in accumulated other comprehensive income (loss), a separate component of equity, in the Company's consolidated balance sheets. The Company has foreign currency translation gains adjustments of \$14 and \$35 during the years ended December 31, 2024 and 2023, respectively.

The Company records exchange gains and losses resulting from the conversion of transaction currency to functional currency as a component of other income (expense).

The amount of taxes allocated to translation adjustments was immaterial for the years ended December 31, 2024 and 2023.

Stock-Based Compensation Expense

Stock-based compensation expense is recorded as a result of stock options, restricted stock units and restricted stock granted in return for services rendered. The stock-based payment arrangements with employees were accounted for under ASU 718, "Compensation - Stock Compensation".

The Company accounts for stock-based compensation for all stock-based awards made to employees and directors, including employee stock options and non-vested stock awards, based on the fair values on the dates they are granted. The Company records the fair value of awards expected to vest as compensation expense on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period.

The Company uses the Black-Scholes option pricing model for determining the estimated fair value for stock-based awards. The Black-Scholes option pricing model requires the use of highly subjective and complex assumptions, which determine the fair value of stock-based awards, including the options expected term, expected volatility of the underlying stock, risk-free rate, and expected dividends. The expected volatility is based on the average historical volatility of certain comparable publicly traded companies within the Company's industry. The expected term assumptions are based on the simplified method, due to insufficient historical exercise data and the limited period of time that the Company's equity securities have been available for issuance. The risk-free interest rates are based

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

on the U.S. Treasury yield in effect at the time of grant. The Company does not expect to pay dividends on common stock in the foreseeable future; therefore, it estimated the dividend yield to be 0%.

For a more detailed discussion of stock-based compensation, see *NOTE 10. STOCK-BASED COMPENSATION*.

No stock-based compensation was recognized during the years ended December 31, 2024 and 2023, respectively.

Warrants to Purchase Common Stock

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in the FASB ASC 480, Distinguishing Liabilities from Equity ("ASC 480"), and FASB ASC 815, Derivatives and Hedging ("ASC 815"). Management's assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, whether they meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period-end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, they are recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, they are recorded at their initial fair value on the date of issuance and subject to remeasurement each balance sheet date with changes in the estimated fair value of the warrants to be recognized as a non-cash gain or loss in the consolidated statements of operations and comprehensive income.

Income Taxes

Income taxes are accounted for under an asset and liability approach. This process involves calculating the temporary and permanent differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The temporary differences result in deferred tax assets and liabilities, which are recorded on the consolidated balance sheets in accordance with FASB ASC 740, Income Taxes ("ASC 740"), which established financial accounting and reporting standards for the effect of income taxes. The likelihood that its deferred tax assets will be recovered from future taxable income must be assessed and, to the extent that recovery is not likely, a valuation allowance is established. Changes in the valuation allowance in a period are recorded through the income tax provision in the consolidated statements of operations and comprehensive income.

The Company recognizes interest and penalties related to uncertain tax benefits on the income tax expense line in the accompanying consolidated statements of operations and comprehensive income. Accrued interest and penalties are included on the related tax liability line in the consolidated balance sheets.

ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Under ASC 740-10, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, ASC 740-10 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As a result of the implementation of ASC 740-10, the Company does not have a liability for unrecognized income tax benefits.

Segment Reporting

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker (the "CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's Chief Executive Officer is the Company's CODM. The CODM reviews financial information presented on a global consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. While the Company does have revenue from multiple products and geographies, no measures of profitability by product

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

or geography are available, so discrete financial information is not available for each such component. As such, the Company has determined that it operates as one operating segment and one reportable segment.

Earnings per share

Basic earnings per share is calculated by dividing net income by the number of weighted average common shares outstanding for the applicable period, excluding the shares exercised from the proceeds of the non-recourse loan. Diluted earnings per share is calculated by dividing net income available to common stockholders by the weighted average shares outstanding. Potentially dilutive shares, which are based on the weighted average shares of common stock underlying outstanding stock-based awards, warrants and convertible senior notes using the treasury stock method or the if-converted method, as applicable, are included when calculating diluted net income per share of common stock attributable to common stockholders when their effect is dilutive.

The dilutive effect of outstanding stock options and warrants is reflected in diluted earnings per share by application of the treasury stock method. The dilutive effect of outstanding convertible securities is reflected in diluted earnings per share by application of the if-converted method.

The following is a reconciliation of basic and diluted earnings per common share for the years ended December 31, 2024 and 2023:

| | December 31, 2024 | December 31, 2023 |
|--|----------------------|----------------------|
| Basic net earnings per share: | | |
| Numerator | | |
| Net income | \$ 10,284 | \$ 11,196 |
| Denominator | | |
| Weighted-average shares of common stock used to compute net earnings per share attributable to common stockholders, basic | 4,094,816,668 | 4,094,459,545 |
| Less: Non-recourse loan shares | – | (119,139,461) |
| Adjusted weighted-average shares of common stock used to compute net earnings per share attributable to common stockholders, basic | 4,094,816,668 | 3,975,320,084 |
| Net earnings per share attributable to common stockholders, basic | \$ 0.00251 | \$ 0.00282 |
| Diluted net earnings per share: | | |
| Numerator | | |
| Net income, basic | \$ 10,284 | \$ 11,196 |
| Add: Interest expense on convertible debt | 240 | 240 |
| Net income, diluted | \$ 10,524 | \$ 11,436 |
| Denominator | | |
| Adjusted weighted-average shares of common stock used to compute net earnings per share attributable to common stockholders, basic | 4,094,816,668 | 3,975,320,084 |
| Non-recourse loan issuance | – | 115,914,498 |
| Weighted-average effect of potentially dilutive securities: | | |
| convertible debt | 250,000,000 | 250,000,000 |
| Unexercised warrants | 121,626,669 | 122,439,466 |
| Weighted-average shares of common stock used to compute net earnings per share attributable to common stockholders, diluted | 4,466,443,337 | 4,463,674,048 |
| Net earnings per share attributable to common stockholders, diluted | \$ 0.00236 | \$ 0.00256 |

There were no anti-dilutive securities for years ended December 31, 2024 and 2023.

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

Recently Adopted and Issued Accounting Pronouncements

The Company adopted ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, effective December 31, 2024. The adoption did not have a material impact on the consolidated financial statements.

On December 13, 2023, the FASB issued ASU 2023-08, Intangibles – Goodwill and Other – Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets, which requires entities to subsequently measure certain cryptocurrencies at fair value, with changes in fair value recorded in net income in each reporting period. For all entities, the ASU’s amendments are effective for fiscal years beginning after December 15, 2024, including interim periods within those years. There is expected to be no material impact on the consolidated financial statements due to the Company’s holding period of crypto assets being typically two days or less.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires disclosure of specific categories in the effective tax rate reconciliation and additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. Adoption of the standard will only impact the income tax disclosures and is not expected to be material to the consolidated financial statements.

Fair Value of Financial Statements

ASC 820, Fair Value Measurement, establishes a three-level valuation hierarchy for disclosure of fair value measurements. Under the FASB’s authoritative guidance on fair value measurements, 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. In determining fair value, the Company uses various methods, including the market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1: Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2: Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.
- Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single-dealer quotes not corroborated by observable market data.

The Company has various processes and controls in place to ensure that fair value is reasonably estimated. A model validation policy governs the use and control of valuation models used to estimate fair value. This policy requires review and approval of models, and periodic re-assessments of models to ensure that they are continuing to perform as designed. The Company performs due diligence procedures over third-party pricing service providers in order to support their use in the valuation process. Where market information is not available to support internal valuations, independent reviews of the valuations are performed, and any material exposures are escalated through a management review process.

While the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. To the extent that the valuation method is based on models or inputs that are less observable or unobservable in

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

the market, the determination of fair value requires more judgment. The degree of judgment exercised in determining fair value is greatest for the financial instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

During the years ended December 31, 2024 and 2023, there were no changes to the Company's valuation techniques that had, or are expected to have, a material impact on its consolidated balance sheets or consolidated statements of operations and comprehensive income.

The Company did not make any transfers between the levels of the fair value hierarchy during the years ended December 31, 2024 and 2023.

The carrying amounts for cash equivalents, restricted cash, accounts receivable, accounts payable, other current liabilities, short-term debt, note payable related-party, convertible debt related-party and equipment notes payable approximate fair value.

Reclassifications

Certain reclassifications were made to the prior year numbers to conform to the current period presentation.

NOTE 2. REVENUE

The table below presents revenue of the Company disaggregated by revenue source for the years ended:

| | December 31, 2024 | December 31, 2023 |
|---------------------------------------|----------------------|----------------------|
| Bitcoin ATMs (Athena and White-label) | \$ 279,799 | \$ 176,470 |
| Athena Plus (OTC) | 4,977 | 15,267 |
| Athena Pay, ancillary and other | 615 | 70 |
| | <u>\$ 285,391</u> | <u>\$ 191,807</u> |

The Company recognized \$274,954 and \$171,399 of revenues related to Athena ATMs, and \$4,845 and \$5,071 in revenues related to operating the White-labeled ATMs for years ended December 31, 2024 and 2023, respectively.

The table below presents revenues by geographic territories based on sales location for the years ended:

| | December 31, 2024 | December 31, 2023 |
|------------------------------|----------------------|----------------------|
| Revenue | | |
| United States | \$ 276,056 | \$ 181,556 |
| El Salvador | 9,012 | 9,881 |
| Argentina, Colombia & Mexico | 323 | 370 |
| | <u>\$ 285,391</u> | <u>\$ 191,807</u> |

Contracts with Chivo, Sociedad Anónima de Capital Variable of El Salvador

In the third quarter of 2021, the Company installed and began operating:

- i. 200 white-labeled ATMs in El Salvador,
- ii. 10 white-labeled ATMs at El Salvador consulates in the U.S.,
- iii. 45 white-labeled ATMs in other U.S. locations, and
- iv. sold 950 point-of-sale (POS) terminals for local businesses in El Salvador to process transactions (under Athena Pay) in Bitcoin to the Ministerio de Hacienda (Department of Treasury) of El Salvador ("GOES").

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

Additionally, the Company contracted to

- i. the sale of software,
- ii. develop a Bitcoin platform designed to support a GOES branded digital wallet, and
- iii. maintain the GOES digital wallet.

As of October 5, 2022, effective July 1, 2022 and expiring on July 30, 2024, the Company and Chivo, Sociedad Anónima de Capital Variable, a wholly owned private company of the Government of El Salvador ("CHIVO") signed a Master Services Agreement ("MSA") and a Service Level Agreement ("SLA") which replaced the existing Master Services Agreement, Contracts and Athena Service Addendums 1 and 2 with the Department of Treasury of El Salvador. The MSA and SLA include the same services, performance obligations, pricing and terms outlined in the original Master Services Agreement, Contracts and Addendums. In conjunction with the new MSA and SLA, the Company and CHIVO completed a financial settlement agreement secured by certain assets to reconcile reporting, and settle the balances owed between the parties. The settlement was completed as of April 2023 upon full satisfaction of all obligations thereunder. On December 20, 2024, a new three-year MSA and SLA with Chivo was signed effective December 1, 2024.

Effective June 30, 2024, a settlement agreement was entered into between Chivo and the Company whereby amounts owed to Chivo of \$5,200 for amounts retained by the Company were netted against fees that Chivo owed the Company of \$4,418; the net of which amounts to a payable to Chivo of \$782 in addition to a receivable from Chivo of \$798 for other fees. As part of the settlement agreement, the receivables and payables between the Company and Chivo were written off in exchange for (i) a new three-year agreement with Athena SV charging reduced rates going forward and (ii) Athena SV would make available to Chivo a credit facility of \$600 for Chivo's use at any time. However, the conditions of the credit facility were:

- a) that the cash is the property of Athena SV,
- b) Chivo would need to deposit the amount of funds they needed in Athena SV's bank account (resulting in a pre-funded credit facility) and Athena would release the funds to Chivo from the ATM pick-ups, and
- c) the credit facility has a monthly fee of 0.487% of the credit facility amount (i.e., \$600).

Therefore, the funds owed to Chivo were \$0 as of December 31, 2024.

As of December 31, 2024, and December 31, 2023, the cash received as advances from GOES was \$0 and \$7, respectively, presented as part of restricted cash held for customers on the consolidated balance sheets. A corresponding liability to repay GOES for the advances is reflected within Liability for cash held for customers on the consolidated balance sheets.

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following as of December 31, 2024, 2023 and 2022:

| | December 31, 2024 | December 31, 2023 | December 31, 2022 |
|----------------------------|----------------------|----------------------|----------------------|
| White-label fee receivable | \$ 716 | \$ 601 | \$ 85 |
| Athena Plus (OTC) | 600 | - | - |
| Others | 23 | 24 | 24 |
| | <u>\$ 1,339</u> | <u>\$ 625</u> | <u>\$ 109</u> |

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

NOTE 4. CRYPTO ASSETS HELD, NET

The Company held the following crypto assets as of December 31, 2024 and 2023:

| | December 31, 2024 | | | December 31, 2023 | | |
|---------------|----------------------|-----------------|-----------------|----------------------|-----------------|---------------|
| | Qty ⁽¹⁾ | Average Rate | Amount | Qty ⁽¹⁾ | Average Rate | Amount |
| Bitcoin | 11 | \$ 93,000 | \$ 1,051 | 9 | \$ 42,265 | \$ 399 |
| Tether (USDt) | 190,000 | 1 | 190 | 22,356 | 1 | 22 |
| | | | <u>\$ 1,241</u> | | | <u>\$ 421</u> |

(1) Rounded off to the nearest whole number

The table below shows the roll-forward of quantity and costs of various crypto assets traded by the Company.

| | Bitcoin | | Tether (USDt) | |
|---|--------------------|------------|--------------------|-----------|
| | Qty ⁽¹⁾ | Cost | Qty ⁽¹⁾ | Cost |
| January 1, 2023 | 16 | \$ 290 | \$ 75 | \$ 75 |
| Purchases | 5163 | 152,046 | 2,155 | 2155 |
| Cost of sales | (4,942) | (144,691) | (1,391) | (1,391) |
| Impairment on crypto assets | – | (436) | (4) | (4) |
| Crypto assets used for expenses | (204) | (6,347) | – | – |
| Crypto assets used for capital expenditure | (12) | (248) | – | – |
| Crypto assets used for other payments | (6) | (218) | (813) | (813) |
| Change in bitcoin held on behalf of certain customers | (6) | 3 | – | – |
| December 31, 2023 | <u>9</u> | <u>399</u> | <u>22</u> | <u>22</u> |

| | Bitcoin | | Tether (USDt) | |
|--|--------------------|-----------------|--------------------|---------------|
| | Qty ⁽¹⁾ | Cost | Qty ⁽¹⁾ | Cost |
| January 1, 2024 | 9 | \$ 399 | 22 | \$ 22 |
| Purchases | 3,540 | 220,488 | 2,548 | 2,548 |
| Cost of sales | (3,423) | (212,343) | (2,380) | (2,380) |
| Impairment on crypto assets | – | (1,779) | – | – |
| Crypto assets used for expenses | (83) | (3,680) | – | – |
| Crypto assets used for capital expenditure | (4) | (181) | – | – |
| Crypto assets used for other payments | (28) | (1,853) | – | – |
| December 31, 2024 | <u>11</u> | <u>\$ 1,051</u> | <u>190</u> | <u>\$ 190</u> |

(1) Rounded off to the nearest whole number

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

NOTE 5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following as of December 31, 2024 and 2023:

| | December 31, 2024 | December 31, 2023 |
|-------------------------------|----------------------|----------------------|
| ATM Equipment | \$ 23,271 | \$ 10,067 |
| Computer equipment | 799 | 117 |
| Office equipment | 186 | 26 |
| | <u>24,256</u> | <u>10,210</u> |
| Less accumulated depreciation | 8,011 | 3,915 |
| Total property and equipment | <u>\$ 16,245</u> | <u>\$ 6,295</u> |

Depreciation expense for the years ended December 31, 2024 and 2023 was \$4,096 and \$1,479, respectively.

NOTE 6. SOFTWARE DEVELOPMENT, NET

In September 2021, the Company entered into a non-binding Letter of Intent with Arley Lozano-Jaramillo (“Lozano”), a principal beneficial owner of Vakano Industries and XPay, both Colombian entities (collectively, “XPay”), for the purchase and sale of certain assets of XPay, primarily intellectual property assets, including the XPay Wallet (the precursor to the Chivo Wallet) and XPay POS software. The Company never entered into final agreements contemplated in the letter of intent.

On December 21, 2022, the Company sent formal notice to XPay canceling the non-binding letter of intent for the proposed transaction between the parties and confirming that the \$1,595 paid to date and presented in previous periods under other advances in the consolidated balance sheets, represented payment in full for certain software, code and technology developments.

On December 31, 2023, the Company recorded a charge of \$2,383 related to the impairment of capitalized software associated with the development of the XPay Wallet as mentioned in the previous section, and Ruru Wallet app. In order to determine that an impairment had occurred, the Company evaluated the costs required to upgrade the software to meet current technical standards in order to have feasible potential for generating revenue, adjusted for future uncertainties, and evaluated prevailing market preferences for self-custody solutions and concluded that the fair value of the capitalized software related to Xpay Wallet and the Ruru Wallet app was \$0.

During the second quarter of 2024, the Company entered into a Development Services Agreement with PSBC, LLC, a third-party Delaware corporation, for a software platform to use in connection with the operation of Bitcoin ATMs. The Company implemented and began to use the software platform in June 2024.

The Company’s capitalized software development cost was \$5,536 and \$155 for the years ended December 31, 2024 and 2023. There was no impairment for the year ended December 31, 2024. Amortization expense for the years ended December 31, 2024 and 2023, was \$814 and \$662, respectively.

| | December 31, 2024 | December 31, 2023 |
|-------------------------------|----------------------|----------------------|
| Capitalized software | \$ 6,327 | \$ 791 |
| Less accumulated amortization | 1,088 | 274 |
| Total capitalized software | <u>\$ 5,239</u> | <u>\$ 517</u> |

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

NOTE 7. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets are mostly composed of prepayment to the Company's taxes, rent, insurance and security deposits. The components of prepaid expenses and other current assets were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| Prepaid expenses and other current assets: | | |
| Prepaid expenses | \$ 818 | \$ 269 |
| Prepaid taxes | 1,865 | 138 |
| Other | 19 | 18 |
| Total prepaid expenses and other current assets | <u>\$ 2,702</u> | <u>\$ 425</u> |

NOTE 8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following as of December 31, 2024 and 2023:

| | December 31, 2024 | December 31, 2023 |
|--|----------------------|----------------------|
| Accounts payable and accrued expenses: | | |
| Accounts payable | \$ 4,753 | \$ 4,445 |
| Accrued expenses | 6,309 | 1,508 |
| Interest payable | 71 | 74 |
| | <u>\$ 11,133</u> | <u>\$ 6,027</u> |

NOTE 9. NOTES PAYABLE

Equipment notes payable

On September 22, 2021, the Company entered into a borrowing arrangement with Banco Hipotecario secured against the Company's assets in El Salvador. The promissory note provided for a principal amount of \$1,500, with a final maturity date of 36 months after disbursement with equal monthly installment payments of \$47 with a moratorium of 2 months. Interest as defined in the loan arrangement is 7.5% per annum. As of December 31, 2024 and 2023, the outstanding principal was \$0 and \$546, respectively.

On September 19, 2024, the Company and Taproot Acquisition Enterprises, LLC, a Delaware limited liability company ("Taproot"), entered into that certain Omnibus Equipment Refinancing Agreement providing for the refinance of the Company's debt obligations previously incurred in connection with the purchase of Bitcoin ATMs pursuant to the previously entered into equipment financing agreements for the purchase of the Equipment by the Company from Taproot. The parties agreed that the total outstanding balance of \$2,120 would be paid by one inception payment of \$1,158 upon the execution of the agreement and followed by weekly payments of \$20 for a period of 48 weeks. The Omnibus Equipment Refinancing Agreement also contains the representations and warranties of both parties with respect to clear and marketable title of the Equipment and provides provisions addressing an event of default by the Company as a purchaser of the Equipment. As of December 31, 2024, the outstanding principal was \$643.

On October 30, 2024, the Company entered with Taproot, into an Equipment Financing Agreement (the "Agreement") to purchase certain Bitcoin ATMs listed in the Agreement. The Agreement amends and supersedes the previous equipment purchase agreements between the parties. Under the Agreement, the Company will acquire from Taproot installed Bitcoin ATMs or additional Bitcoin ATMs at the price per Bitcoin ATM set forth in the Agreement. The downpayment shall be paid in 4 installments with the first payment due and paid by the Company as of October 31, 2024, and the last payment to be made by January 31, 2025; however, the last payment was made on January 27, 2025.

In addition, the Company shall pay certain percentage fee (0.8%) of the revenue (to be paid weekly) derived from the sale of Bitcoin in each Bitcoin ATM location until the expiration of the term of the Agreement (36 months) or until full payment of total purchase price for the Equipment subject to certain additional limitations. The Agreement also provides the provisions addressing the event of default by either Taproot or the Company, and respective available remedies. Certain property on which the Equipment units are located are

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

subject to merchant agreements (as listed in the Agreement), The Agreement provides for assignment and assumption of merchant agreements and leases, as may be applicable. Furthermore, Taproot desires to maintain a first priority interest on the Bitcoin ATMs until it is fully paid for. In connection therewith, the Company, Taproot and KGPLA Holdings LLC (“KGPLA”) entered into the First Amendment to the Intercreditor Agreement dated as of October 23, 2024, pursuant to which, KGPLA agreed to the subordination of its first priority security position on collateral of the Company to Taproot. As of December 31, 2024, the outstanding principal was \$5,785 representing the principal balance being paid as a percentage (0.8%) of revenues.

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| Long-term Debt Reconciliation | | |
| Taproot – Omnibus Equipment Refinancing Agreement | \$ 643 | \$ – |
| Taproot – Equipment Financing Agreement | 5,785 | – |
| Total Equipment notes payable | 6,428 | – |
| Less: Equipment notes payable, current portion | (3,084) | – |
| Equipment notes payable, net of current portion | \$ 3,344 | \$ – |

Short-term debt

In December 2022 and December 2023, the Company entered into financing agreements with Capital Premium Financing, Inc. to pay the insurance premium on its commercial liability insurance. The annual interest rate was 20.53% and 17.65% per annum in 2023 and 2022, respectively, repayable in nine monthly installments beginning February 1 of the subsequent year. As of December 31, 2024, and 2023, the outstanding principal was \$0 and \$95, respectively.

On February 26, 2024, the Company entered into a financing agreement for \$170 with National Partners PFco LLC to pay the insurance premium on its directors’ and officers’ insurance with an annual percentage rate of 8.45% per annum repayable in ten monthly installments beginning March 14, 2024. On October 11, 2024, the Company increased its coverage for the same policy and entered into an additional financing agreement for \$170 with annual percentage rate of 7.95% repayable in ten monthly installments beginning November 11, 2024. As of December 31, 2024, the outstanding principal was \$140.

On December 19, 2024, the Company entered into financing agreements for \$116 with National Partners PFco LLC. to pay the insurance premium on its commercial liability insurance with an annual interest rate of 7.95% per annum, repayable in eight monthly installments beginning January 11, 2025. As of December 31, 2024, the outstanding principal was \$116.

Note payable, Related-Party

In 2017, the Company entered into several subordinated note agreements with shareholders of the Company’s common stock. The notes had a principal amount of \$117 with maturity dates in 2021 and 2022. Interest as defined in the notes is 12% per annum. In the fourth quarter of 2023, the Company paid the final balance of \$90. As of December 31, 2024 and 2023, the outstanding principal was \$0 and \$0, respectively.

On August 4, 2022, the Company completed a lending transaction with Mike Komaransky, the Company’s principal shareholder and former director, whereby the Company borrowed \$500 from Mr. Komaransky pursuant to the terms of a secured promissory note and security agreement. The promissory note has an interest rate of 6% and the repayment of the principal amount and any accrued interest is secured by certain assets of the Company with respect to which Mr. Komaransky holds first priority lien and security interest. The terms of the secured promissory note and the security agreement were subsequently amended by the parties on January 17, 2023. Pursuant to the terms of the amended secured promissory note, the Company agreed to make monthly payments of \$50 until the maturity date of the secured promissory note, which was on August 31, 2023. There was no outstanding principal balance as of December 31, 2024 and 2023.

As of May 15, 2023, the Company entered into a certain Senior Secured Loan Agreement, as amended (the “Loan Agreement”) and Senior Secured Revolving Credit Promissory Note (the “Revolving Credit Note”) with KGPLA Holdings LLC (“KGPLA”), an entity in which Mike Komaransky, a former director and principal shareholder of the Company has a controlling interest. The Revolving Credit Note allowed the Company to borrow up to \$4,000 for the operations of its New Bitcoin ATM Machines, as defined in the Loan Agreement, with a maturity date of May 15, 2024. Revenue share fees for this agreement were calculated based on a percentage of the gross daily receipts generated from these machines and were recorded as part of interest expense in the consolidated statements of operations and comprehensive income. In connection with the above loan transaction and issuance of Revolving Credit Note, the Company granted KGPLA a first priority lien and security interest in and to all of the Company’s assets, except for property previously

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

pledged to Banco Hipotecario (see above), and with respect to such assets, the Company granted the KGPLA a second priority lien. The Company repaid the principal amount of \$4,000 (together with any fees) on the Senior Secured Revolving Credit Promissory Note due May 15, 2024, with KGPLA, as of March 28, 2024. The debt was settled in full in accordance with the terms outlined in the Revolving Credit Note and was funded using cash reserves generated from the Company's operating activities. The early payoff of this debt resulted in the elimination of revenue share fees. As of December 31, 2024 and 2023, the outstanding principal was \$0 and \$4,000, respectively.

Convertible debt, related-party

On January 31, 2020, the Company entered into a convertible debenture agreement with KGPLA LLC, an entity in which Mike Komaransky, a former director and principal shareholder of the Company has controlling interest. The convertible debenture provided for a principal amount of \$3,000, with a maturity date of January 31, 2025, which was extended to January 31, 2026. Interest as defined by the agreement is 8% per annum. KGPLA, LLC has the option to convert the outstanding principal and accrued interest balance into common stock of the Company at the lower of \$0.012 per share or 20% discount to the next major financing or change in control. The convertible debenture was amended and restated as of May 15, 2023, and became a secured, and not general unsecured, obligation of the Company, on par with the notes issued pursuant to the Senior Secured Loan Agreement entered into as of the same date. As of December 31, 2024 and 2023, the outstanding principal debenture amount of \$3,000 and \$3,000, respectively.

Convertible debt, third party

On June 22, 2021, the Company authorized the issuance and sale of up to \$5,000 in aggregate principal amount of convertible debentures. The convertible debentures (i) are unsecured, (ii) bear interest at the rate of 6% per annum, and (iii) are due two years from the date of issuance. The convertible debentures are convertible at any time at the option of the investor into shares of the Company's common stock that is determined by dividing the amount to be converted by the lesser of (i) \$0.10 per share or (ii) 25% less than the twenty trading day (20-trading day) volume weighted average price ("VWAP") of the common stock-based on the trades reported by the OTC Pink Market operated by the OTC Markets Group, Inc. As of December 31, 2021, the Company received an amount of \$4,985 toward subscription against this issue.

In December 2021, certain debenture holders exercised their right and gave an irrevocable notice to convert \$220 of the convertible debt for 2,200,000 shares. As of March 31, 2022 additional debenture holders exercised their right and gave an irrevocable notice to convert \$3,245 of the convertible debt. The Company issued a total of 34,650,000,000 shares for these conversions for the year ended December 31, 2022. The remaining unconverted debt of \$1,520 was paid in full as of December 31, 2023. There was no outstanding convertible debt for this issuance as of December 31, 2024 and 2023.

Maturities on the Company's notes payable are as follows:

| | | |
|---------------------------------|----|--------------|
| 2025 | \$ | 3,340 |
| 2026 | | 6,344 |
| Total payments on notes payable | \$ | <u>9,684</u> |

NOTE 10. STOCK-BASED COMPENSATION

Stock Option Plan

The Company's Board of Directors and its majority shareholders approved the 2021 Equity Compensation Plan (the "2021 Plan") effective as of October 15, 2021. On February 28, 2023, in conjunction with a signed contractor service agreement, the Company issued a Restricted Stock Units Agreement granting 2,000,000 shares of common stock under the 2021 Plan.

Non-recourse loans

In January 2020, the Company allowed its employees with vested stock options to exercise with the use of a non-recourse loan agreement for the issuance of 119,139,461 shares of common stock. These loan agreements originally had a maturity date of 48 months from the date of exercise, which was extended by one year in December 2023 to 60 months. An increase of \$35 to additional paid in capital was recorded as a result of this modification. The loans carry an interest rate of 1.69%. The loans are required to be consistent with the accounting for stock options, with the exercise price of the stock option being the principal and interest due on the loan.

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

The fair value of the non-recourse loans as of the grant date (January 15, 2020) was determined using the Black-Scholes option pricing model. The following assumptions were used in estimating the fair value of the non-recourse loans:

| | | |
|-----------------------|----|-------|
| Stock price | \$ | 0.03 |
| Exercise price | \$ | 0.01 |
| Expected life (years) | | 4.0 |
| Expected volatility | | 78.3% |
| Annual dividend yield | | 0.0% |
| Discount rate | | 0.0% |

The Company elected, in accordance with FASB ASC 718, to deduct the increase in the exercise price (interest) from the risk-free interest rate, resulting in no discount rate.

The original fair value of the awards was \$3,236, which was expensed in 2020.

As of December 31, 2024, the Company cancelled these non-recourse loans in favor of the employees.

No shares of the Company's common stock, options to purchase shares of the Company's common stock or restricted stock units of the Company have been issued during the years ended December 31, 2024 and 2023.

NOTE 11. WARRANTS

In 2017 Athena Bitcoin, Inc. issued warrants to purchase 202,350 shares of Athena Bitcoin, Inc.'s common stock for \$14,005. The warrants provide for a right to purchase common stock in Athena Bitcoin, Inc., priced at \$2.00 to \$3.00 per share, at an average exercise price of \$2.49 per share. The warrants were classified as equity. In January 2020, warrants to purchase 102,350 shares of Athena Bitcoin, Inc. common stock at an average exercise price of \$2.00 per share were exercised.

The unexercised warrants to purchase 100,000 shares of Athena Bitcoin, Inc. common stock, at an exercise price of \$3.00 per share, remain outstanding as of December 31, 2024 and 2023. The warrants will expire on May 30, 2025.

NOTE 12. RELATED PARTY TRANSACTIONS

Aside from the transactions discussed in *NOTE 9. NOTES PAYABLE* to these consolidated financial statements, the Company continues to carry a payables balance to Red Leaf Opportunities Fund LP, an entity in which the Company's principal shareholder, former director and former Chief Executive Officer has a controlling interest in the General Partner, Red Leaf Advisors LLC, for previous purchases of crypto assets. The outstanding balance due to Red Leaf Opportunities Fund LP as of December 31, 2024 and 2023, was \$407, and is recorded in accounts payable, related-party in the consolidated balance sheets.

The Company incurred (i) cash logistics services of \$5,156 and \$2,096 for the years ended December 31, 2024 and 2023, respectively with Move On Security LLC, and (ii) ATM conversion cost of \$0 and \$1,149 for the years ended December 31, 2024 and 2023, respectively. Mr. Matias Goldenhorn, the Chief Executive Officer and director of the Company, has a 50% interest in Move On Security LLC. Included in the balance of accounts payable, related-party are the amounts due to Move On Security, LLC of \$246 and \$389 as of December 31, 2024 and 2023, respectively.

On February 7, 2024, the Company entered into a service agreement with Move On Tech Service, LLC to provide ATM services for the Company's ATM operations in various states. Move On Tech Service, LLC is responsible for ATM management, periodic ATM maintenance, installation, and deinstallation. Mr. Matias Goldenhorn, the Chief Executive Officer and director of the Company, has a 50% interest in Move On Tech Service, LLC. During the year ended December 31, 2024, the Company incurred \$3,858 in services with Move On Tech Service, LLC. Included in the balance of accounts payable, related-party are the amounts due to Move On Tech Service, LLC of \$165 as of December 31, 2024.

NOTE 13. FEES ON VIRTUAL VAULT SERVICES

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

Virtual Vault is a term used in the Armored Car and Cash Transport industry to define a service provided by armored car services for assets considered property of the bank when the bank does not have a physical vault or location in a given state or location. The Fees for virtual vault services included in the Company's consolidated statements of operations and comprehensive income are for a currency availability service provided to the Company by its bank for making funds held in a virtual vault immediately available to the Company. Neither the term nor the service is related to virtual currency or crypto assets.

Fees on Virtual Vault Services for the years ending December 31, 2024 and 2023, were \$2,059 and \$1,039, respectively.

NOTE 14. INCOME TAXES

Income before income taxes for the years ended December 31, 2024, and December 31, 2023 was attributable to the following regions:

| Region | December 31, 2024 | December 31, 2023 |
|----------------------------------|----------------------|----------------------|
| Domestic | \$ 14,927 | \$ 16,641 |
| Foreign | 90 | (955) |
| Total income before income taxes | <u>\$ 15,017</u> | <u>\$ 15,686</u> |

Provision for income taxes for the years ended December 31, 2024 and December 31, 2023 consisted of the following:

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| Current: | | |
| Federal tax on income | \$ 2,230 | \$ 2,291 |
| State and local, net of federal benefit | 997 | 988 |
| Foreign | 988 | 845 |
| Total current | <u>4,215</u> | <u>4,124</u> |
| Deferred: | | |
| Federal tax on income | \$ 838 | \$ 430 |
| State and local, net of federal benefit | (320) | (64) |
| Total deferred | <u>518</u> | <u>366</u> |
| Total provision for income taxes | <u>\$ 4,733</u> | <u>\$ 4,490</u> |

A reconciliation of the statutory income tax rates and the effective tax rate are as follows:

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| Statutory U.S. federal rate | 21.0% | 21.0% |
| Income tax on jurisdiction other than statutory | 0.1 | (0.5) |
| State income tax, net of federal benefit | 3.1 | 5.2 |
| Foreign withholding taxes | 5.7 | (0.2) |
| Valuation allowance | 1.1 | 4.7 |
| Uncertain tax positions | – | (0.7) |
| Prior year true-ups (state and federal) | – | (0.5) |
| Other | 0.5 | (0.4) |
| | <u>31.5%</u> | <u>28.6%</u> |

The Company's effective tax rate ("ETR") for the years ended December 31, 2024 and 2023 was 31.5% and 28.6%, respectively. The ETR for the year ended December 31, 2024 of 31.5% was higher than the U.S. statutory rate of 21.0% was due (i) primarily to foreign income tax expense (ii) state income tax expense, and (iii) valuation allowance on foreign tax credit deferred tax assets.

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

The tax effects of the temporary differences and carryforwards that give rise to deferred tax assets and deferred tax liabilities consist of:

| | December 31, 2024 | December 31, 2023 |
|------------------------------------|----------------------|----------------------|
| Deferred tax asset: | | |
| Foreign tax credit | \$ 2,346 | \$ 1,615 |
| Net operating loss carryforward | 2 | 2 |
| Lease liability | 8,595 | 5,595 |
| Other | 1,099 | – |
| Gross deferred tax assets | <u>12,042</u> | <u>7,212</u> |
| Deferred tax liability: | | |
| Depreciation and amortization | (2,015) | (634) |
| Right to use asset | (8,595) | (5,595) |
| Gross deferred tax liability | <u>(10,610)</u> | <u>(6,229)</u> |
| Less: valuation allowance | (2,346) | (1,379) |
| Total net deferred tax liabilities | <u>\$ (914)</u> | <u>\$ (396)</u> |

A valuation allowance of \$2,346 and \$1,379 was recorded against the Company's net deferred tax asset balance as of December 31, 2024 and 2023, respectively. As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. On the basis of this evaluation, portion of the deferred tax asset in 2024 is not more likely not to be realized. The valuation allowance included allowances related to foreign tax credits. As of December 31, 2024 and 2023, the Company has no federal loss carryforwards available to offset federal taxable income, and state loss carryforwards available to offset future state taxable income \$74 and \$67. As of December 31, 2024 and 2023, the Company also has carryforwards available for credits from taxes paid in foreign jurisdictions of \$2,346 and \$1,615, respectively.

The Company is unaware of any uncertain tax positions that could result in significant additional payments, accruals, or other material deviation in this estimate over the next year.

Activity related to the Company's uncertain tax positions consisted of the following:

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| Balance, beginning of year | \$ – | \$ 106 |
| Increase to tax positions taken during the current year | – | – |
| Decrease to tax positions taken during the prior year | – | (106) |
| Balance, end of year | <u>\$ –</u> | <u>\$ –</u> |

Major tax jurisdictions are the United States and El Salvador. All of the tax years will remain open three and four years for examination by the Federal and state tax authorities, respectively, from the date of filing of the income tax returns. There are no tax audits in process with any tax authority.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

The Company, from time to time, might have claims against it incidental to the Company's business including but not limited to tax demands and penalties. While the outcome of any of these matters cannot be predicted with certainty, management does not believe that the outcome will have a material adverse effect on the accompanying consolidated financial statements.

Employee Bonuses

As of December 31, 2024 and 2023, the Company has accrued \$2,100 and \$1,225 of bonuses to employees and management of the Company and were included in accounts payable and accrued expenses. The bonuses are based on the Company's performance objectives that were achieved during the respective years. The bonuses, for the year ended December 31, 2024, were paid on March 14, 2025, and the bonuses for the year ended December 31, 2023, were paid on March 14, 2024. Performance bonuses are based on management's periodic review and the amounts are accrued monthly.

Legal Matters

On September 8, 2022, Athena Bitcoin, Inc. received from the Office of the Commissioner of Financial Institutions ("OCFI"), a "Final Resolution and Order to Cease and Desist" ("OC&D"), requiring to, among other matters, stop the operations and marketing of the Bitcoin automated teller machines ("kiosks"), that were operating in Puerto Rico. On September 12, 2022, Athena filed a Complaint for Declaratory Judgment and Permanent Injunction and a Petition for Preliminary Injunction before the Courts of the Commonwealth, Superior Part requesting that the determination and effects of the OC&D be stayed until final resolution of the case. On November 10, 2022, the Court dismissed the civil action with the interpretation that the controversy presented before it was not ripe for resolution by the Court. The Company sought a reversal of such determination before the Court of Appeals of the Commonwealth by a Motion Requesting a Stay of the determination and effects of the OC&D.

On April 10, 2023, the Puerto Rico Court of Appeals issued a judgment unfavorable to Athena's appeal. Athena determined not to pursue further redress against the OC&D that was issued by OCFI and with which it has been complied since September 2022. Athena implemented another option available under PR law that has permitted resumption of operations of the kiosks in Puerto Rico. The Court of Appeals is yet to issue the Mandate to return the case to the lower Court and to OCFI. Effective since September 5, 2024, upon Company completing a new application, OCFI issued Athena a license for money transmission, TM-177, and are in the process of restarting operating the kiosks under its brand.

Revenue from operations in Puerto Rico for the years ended December 31, 2024 and 2023, accounted for approximately 0% of total revenue respectively.

On October 9, 2023, Arley Lozano-Jaramillo ("Lozano"), an individual, commenced proceedings against the Company by filing a complaint with the 11th Judicial Circuit Court for Miami-Dade County, Florida (the "Court") which named Athena Bitcoin Global, as the defendant. Lozano, either individually or through the entities controlled by him (XPay, Vakano Industries) entered into certain non-binding letters of intent on July 13, 2021 and as of September 2021 (the second letter of intent was a draft and not signed by the parties) pursuant to which Lozano was a seller of certain assets and technology related to XPay Wallet, intellectual property regarding the AthenaPay POS System, XPay POS System and related technology (the "XPay Assets") for the proposed purchase price of \$3,000 and 270,000,000 shares of common stock of the Company (valued at \$0.10 per share). The acquisition of the XPay Assets was subject to the execution of a definitive acquisition agreement. No such agreement was finalized nor entered into by the parties. The Company made payments to Lozano for a total amount of approximately \$1,600 and Lozano transferred the ownership of XPay Assets to the Company. Lozano alleges breach of contract, promissory estoppel, unjust enrichment, fraud in the inducement and conversion. He asserts the claim for failure to compensate Lozano pursuant to the terms of the purchase price provided in the non-binding letter of intent (and the unsigned draft letter of intent), which includes remaining amount of the purchase price (\$1,400) and 270,000,000 shares of the Company's common stock. The plaintiff did not offer any evidence of a signed and binding acquisition agreement. The claim also seeks an award for legal and other costs relating to the proceeding.

The Company does not believe the allegations made against it are valid and continues to vigorously defend against them. Accordingly, the Company filed with the Court on February 9, 2024, a motion to dismiss Lozano's complaint. The Court granted the Company's motion in part and denied in part, dismissing two of the five causes of action. The Company proceeded to file its counter-complaint against Plaintiff who presented his answer on October 6, 2024. The range of potential loss related to the identified claim is between \$0 and \$1,400 and the issuance of 270,000,000 shares of common stock valued at \$27,000, the amount of damages that Lozano is seeking in the lawsuit. The additional costs mentioned in the claim are not able to be estimated at this time. The Company does not believe that it is probable that a liability has been incurred as of December 31, 2024 and 2023 related to this lawsuit.

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

On June 21, 2024, Digital Access, LLC, a Michigan limited liability company (“Digital Access”), filed a complaint against Athena Bitcoin, Inc, a Delaware corporation, and two additional codefendants before the US District Court for the Eastern District of Michigan (the “Court”). The complaint alleged tortious interference with business relationships and business expectancy, statutory and common law conversions, trespass to chattels and injunctive relief against it. The case was removed to the US District Court for the Northern District of Indiana. The amount claimed against Company is not less than \$750. Digital Access and Company reached a confidential agreement that has been completed in full at this time.

Effective June 30, 2024, a settlement agreement was entered into between Chivo and the Company whereby amounts owed to Chivo of \$5,200 for amounts retained by the Company were netted against fees that Chivo owed the Company of \$4,418; the net of which amounts to a net payable to Chivo of \$782. This payable of \$782 was forgiven by Chivo in exchange for (i) a new three-year agreement with Athena SV charging reduced rates going forward and (ii) Athena SV would make available to Chivo a credit facility of \$600k for Chivo’s use at any time. However, the conditions of the credit facility were:

- a) that the cash is the property of Athena SV,
- b) Chivo would need to deposit the amount of funds they needed in Athena SV’s bank account (resulting in a pre-funded credit facility) and Athena would release the funds to Chivo from the ATM pick-ups, and
- c) the credit facility had a monthly fee of 0.487% of the credit facility amount (i.e., \$600k).

On July 16, 2024, Athena Bitcoin, Inc., a Delaware corporation, filed a Complaint against Genesis Coin, Inc., Bitcoin ATM, LLC, ATM OPS, Inc., Kiosk Distributors, Inc., Andrew C. Barnard, Douglas O. Carrillo, and Neil Hernandez, for damages for violation of a federal statute and other claims, filed at the US District Court for the Northern District of Illinois (the “Court”). On September 12, 2024, the parties reached a settlement agreement and release pursuant to which the complaint and other proceedings that were initiated at other forums, were dismissed and certain monetary and technological considerations were afforded between the parties.

On August 20, 2024, Keon Jackson (“Jackson”), an individual, commenced what was entitled as a “Class Action Complaint” against Athena Bitcoin, Inc., filed at the US District Court for the Northern District of Florida (the “Court”). The complaint alleges receipt of unwanted telemarketing text messages in contravention to federal and state statutes while seeking class certification status. An initial dispositive motion filed by Company was denied by the Court. In this case, Plaintiff alleges it happened to him a total of six (6) times after purportedly requesting messages to stop. The additional costs, if any, mentioned in the claim are not able to be estimated at this time.

On September 9, 2024, S.M. on behalf of herself and all others (“S.M.”), an individual, filed a complaint that includes class action allegations, against Athena Bitcoin, Inc., Genesis Coin, Inc., and two other defendants, filed at the Common Pleas Court at Cuyahoga County, Ohio (the “Court”). The complaint against Company alleges negligence and violations to the Ohio Products Liability Act because of alleged elder financial scams involving cryptocurrency and the operation of kiosks. Plaintiff alleges the need for implementing effective and sufficient checks and procedures both at the kiosks and other internal procedures in order to intervene, prevent, mitigate, or deter the use of the kiosks in elderly scams, beyond what already Company has in place. The claim by plaintiff against Company is for an undetermined amount of compensation (which cannot exceed \$5,000 under the Class Action Fairness Act of 2005) as well as injunctive relief. The additional costs mentioned in the claim are not able to be estimated at this time, if any would be applicable.

On November 25, 2024, Karen Carew on behalf of herself and all others (“Carew”), an individual, filed a complaint that includes class action allegations, against Athena Bitcoin, Inc., its Chief Executive Officer, and other defendants, filed at the Superior Court of New Jersey Law Division, Monmouth County (the “Court”). The complaint against Company alleges negligence and violations to various New Jersey statutes such as possession of stolen property, Racketeer Influenced and Corrupt Organizations, negligence and consumer fraud. Plaintiff alleges the need for implementing effective and sufficient checks and procedures both at the Bitcoin ATM kiosks and other internal procedures in order to intervene, prevent, mitigate, or deter the use of the kiosks in elderly scams, beyond to what already Company has in place. The claim by plaintiff against Company is for an undetermined amount of compensation (which cannot exceed \$5,000 under the Class Action Fairness Act of 2005) as well as injunctive relief. The additional costs mentioned in the claim are not able to be estimated at this time, if any would be applicable.

Operating Leases

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

The Company has entered into certain leases primarily for ATM retail spaces and ATM machines. Operating lease expense is recognized in continuing operations by amortizing the amount recorded as an asset on a straight-line basis over the lease term. The operating lease expense are presented consistently with cost of revenues in the consolidated statements of operations and comprehensive income. In determining lease asset values, the Company considers fixed and variable payment terms, prepayments, incentives, and options to extend, terminate or purchase. Renewal, termination, or purchase options affect the lease term used for determining lease asset value only if the option is reasonably certain to be exercised.

Balance sheet information related to operating right-of-use assets and lease liabilities consisted of the following:

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| Right-of-use assets – operating leases | \$ 33,613 | \$ 21,068 |
| Operating lease liabilities, current portion | 9,627 | 7,205 |
| Operating lease liabilities, net of current portion | 23,986 | 13,863 |
| Total operating lease liabilities | \$ 33,613 | \$ 21,068 |

Other supplemental information related to operating leases was as follows:

| | December 31, 2024 | December 31, 2023 |
|--|----------------------|----------------------|
| Weighted-average remaining lease term (in years) | 3.50 | 2.94 |
| Weighted-average discount rate | 15% | 15% |

Cash paid for amounts included in the measurement of lease liabilities:

| | | |
|--|-----------|----------|
| Operating cash flows from operating leases | \$ 11,367 | \$ 4,473 |
|--|-----------|----------|

The discount rates used in measuring the lease liabilities was based on the Company's incremental borrowing rate.

As of December 31, 2024, the Company's operating leases have remaining lease terms of up to 5 years, some of which include optional renewals or terminations, which are considered in the Company's assessments when such options are reasonably certain to be exercised. Any variable payments related to the lease will be recorded as lease expense when and as incurred. Variable payments are not based on an index or rate and relate to common area maintenance or ATM relocation expenses. As of December 31, 2024, the operating leases that have been contracted for but have not yet commenced are immaterial.

The components of operating lease cost recognized in the consolidated financial statements were as follows:

| | December 31, 2024 | December 31, 2023 |
|-----------------------|----------------------|----------------------|
| Operating lease cost | \$ 11,367 | \$ 4,473 |
| Short term lease cost | 1,675 | 761 |
| Variable lease cost | 856 | 468 |
| Total lease cost | \$ 13,898 | \$ 5,702 |

The reconciliation of future lessee lease payments under noncancelable operating leases in which the Company has a lease liability, reflected in the Company's consolidated balance sheets as of December 31, 2024 is presented in the table below:

| | Operating Leases |
|------|---------------------|
| 2025 | \$ 13,578 |
| 2026 | 12,140 |
| 2027 | 10,539 |

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

| | |
|------------------------------------|-----------|
| 2028 | 6,495 |
| 2029 | 1,597 |
| Thereafter | - |
| Total lease payments | \$ 44,349 |
| Less: Imputed interest | (10,736) |
| Present value of lease liabilities | \$ 33,613 |

Finance Leases

On November 2, 2023, the Company entered into a finance lease with Taproot Acquisition Enterprises, LLC, in which the Company agreed to lease certain Bitcoin ATMs over a three- year term, with the expectation that the Company will take title of the Bitcoin ATMs prior to the end of the term. As a result of the anticipated transfer of ownership, this meets the definition of a Finance Lease under ASC 842.

Financing lease expense is comprised of both interest expense, which will be recognized using the effective interest method, and amortization of the right-of-use assets. These finance lease expenses are presented consistently with other interest expense and amortization or depreciation of similar assets. In determining lease asset values, the Company considers fixed and variable payment terms, prepayments, incentives, and options to extend, terminate or purchase. Renewal, termination, or purchase options affect the lease term used for determining lease asset value only if the option is reasonably certain to be exercised.

Balance sheet information related to finance right-of-use assets and lease liabilities consisted of the following:

| | December 31, 2024 | December 31, 2023 |
|--|----------------------|----------------------|
| Right-of-use assets – finance leases | \$ – | \$ 991 |
| Finance lease liabilities, current portion | – | 1,075 |
| Total finance lease liabilities | \$ – | \$ 1,075 |

Other supplemental information related to finance leases was as follows:

| | December 31, 2024 | December 31, 2023 |
|--|----------------------|----------------------|
| Weighted-average remaining lease term (in years) | – | 1.00 |
| Weighted-average discount rate | – | 15% |

Cash paid for amounts included in the measurement of lease liabilities:

| | | |
|--|----------|------|
| Operating cash flows from finance leases | \$ – | \$ – |
| Financing cash flows from finance leases | \$ 1,150 | \$ – |

The discount rates used in measuring the lease liabilities was based on the Company's incremental borrowing rate.

The components of finance lease cost recognized in the consolidated financial statements were as follows:

| | December 31, 2024 | December 31, 2023 |
|-------------------------------------|----------------------|----------------------|
| Amortization of right-of-use-assets | \$ 262 | \$ 58 |
| Interest on lease liabilities | 110 | 26 |
| Total finance lease expense | \$ 372 | \$ 84 |

NOTE 16. OFF-BALANCE SHEET ARRANGEMENTS

In the normal course of business, the Company's contract with the government of El Salvador for the operation of the Chivo branded ATMs obligates the Company to assume the risk of loss for funds used in the operation of the Chivo branded ATMs while those funds are in transit. The Company has contracted with licensed and insured cash logistics companies to securely transport these funds. The

Athena Bitcoin Global and Subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(in thousands, except number of shares)

logistics companies' insurance covers in full the value of the funds in transit however, in the event of a loss or destruction of the funds in transit, the Company could encounter a timing delay between insurance payment for lost funds and the date of actual loss. The amount of funds in transit varies based on multiple factors including but not limited to economic activity, seasonality, holiday and bank closure calendars. The amount of funds in transit as of December 31, 2024 and 2023, were \$4,679 and \$875, respectively.

NOTE 17. SUBSEQUENT EVENTS

The Company has evaluated subsequent events after the balance sheet date of December 31, 2024, through March 25, 2025, the date on which these consolidated financial statements were available to be issued.

On January 21, 2025, Girma Yilma on behalf of himself and all others ("Yilma"), an individual, filed a complaint that includes class action allegations, against Athena Bitcoin, Inc., and two other retail establishments as defendants, filed at Colorado's Arapahoe County District Court (the "Court"). The complaint against Company alleges negligence and violations to various Colorado statutes such as its consumer protection act, civil theft, unjust enrichment, negligence and negligent design. As in the previous two cases filed by the same plaintiff's law firm, it alleges the need for implementing effective and sufficient checks and procedures both at the Bitcoin ATM kiosks and other internal procedures in order to intervene, prevent, mitigate, or deter the use of the kiosks in elderly scams, beyond to what already Company has in place. The claim by plaintiff against Company is for an undetermined amount of compensation (which cannot exceed \$5,000 under the Class Action Fairness Act of 2005) as well as injunctive relief. The additional costs mentioned in the claim are not able to be estimated at this time, if any would be applicable.

On January 31, 2025, Zamareeh Odoms, an individual, through counsel sent an extrajudicial claim for \$500. The claim alleges lack of proper due diligence when recruiting or supervising an employee, agent or representative that caused damages to his person for alleged insults and verbal aggressions made while in the common areas of the office building. However, the individual involved that caused the alleged claims by Odoms is not an employee, agent or representative of the Company, the alleged actions were not within the scope of any duties for the Company and the Company had no control over his employment, actions, or behavior because there is no employment relationship. Therefore, the Company's assessment of this case at this time is there is no liability of the Company.