

Supplemental Disclosure Filing:

EVERMIND Beverage Asset Valuation and Transaction Rationale

Issuer: BitFrontier Capital Holdings, Inc. (OTCID: BFCH)

Date: August 19, 2025

Subject: Valuation Analysis and Strategic Rationale Supporting the Acquisition of ERApeutics, LLC (d/b/a EVERMIND Beverage)

1. Transaction Overview

On August 2, 2025, BitFrontier Capital Holdings, Inc. ("BFCH" or the "Company") entered into a binding Letter of Intent to acquire 100% of the membership interests of ERApeutics, LLC ("ERApeutics"), a development-stage functional wellness company operating under the EVERMIND Beverage brand. The parties intend to negotiate and execute a definitive agreement within 60–90 days of the binding LOI. Upon execution of the definitive agreement, BFCH will issue 400,000,000 restricted shares of its common stock at a fixed valuation of \$0.01 per share, for an aggregate implied consideration of \$4,000,000. These shares will be subject to standard Rule 144 restrictions and will be restricted from resale for a minimum of 12 months.

This is a non-cash, related-party transaction.

2. Valuation Basis and Precedent

The \$4 million enterprise valuation is aligned with the fixed \$0.01 per share benchmark previously used in a convertible note transaction. That contractual pricing was accepted by an external investor and has since been adopted internally as a practical and transparent reference point for subsequent equity-based structuring.

As of the transaction date, BFCH had approximately 1,267,167,845 shares outstanding. Based on the \$0.01 internal benchmark, this reflects a structural reference point for a \$12.67 million market capitalization. While this is not a representation of intrinsic value, it serves as a strategic anchor for asset acquisitions, investor negotiations, and corporate development.

This acquisition brings in over \$1.67 million in prior investor capital raised by ERApeutics from 28 investors, including two institutional participants. The equity raised was based on pre-money valuations generally in the \$3.5–\$4M range, further supporting the reasonableness of the consideration issued.

3. Strategic Rationale for Shareholders

This transaction represents a significant strategic step forward for BFCH and its shareholders. The acquisition of ERApeutics delivers the following shareholder benefits:

- Immediate addition of over \$1.1 million in development-stage intellectual property assets, including 6 proprietary formulations, batch sheets, and consumer-tested brand architecture.
- Influx of digital infrastructure, including an active e-commerce platform, brand collateral, customer journey automation, and CRM tech stack.
- Strategic alignment with BFCH's publicly disclosed business plan to reposition the Company in human optimization, cognitive performance, and longevity-driven offerings.
- Strengthens operational continuity and supports future compliance with Rule 144 by preserving and enhancing the Company's active business status.
- Enables future corporate actions including OTCQB uplisting, audited financials, and institutional capital formation.

4. Asset Summary Supporting \$4M Valuation

Capitalization & Investor Validation:

- \$1.67M raised across multiple tranches from 28 investors.
- Cap table includes 2 institutional funds.
- Last round executed at \$4M pre-money valuation.

Intellectual Property (IP):

- 6 proprietary formulations with validated batch sheets.
- Brand and several active trademark filings under EVERMIND™.

Academic R&D and Clinical Input:

- Product development informed by academic research at Penn State University, establishing preliminary efficacy and formulation strategy.

Digital Infrastructure:

- E-commerce site (Shopify), brand assets, paid media libraries.
- Tech stack integrated with Gorgias, Okendo, Klaviyo, and other D2C marketing tools.

Manufacturing and Supply Chain:

- Relationships with certified co-manufacturers.
- Supply contracts for raw materials and packaging.

Regulatory & Compliance Assets:

- Non-GMO, Kosher, and state licensing documentation.
- SOPs for QC, batching, and fulfillment workflows.

Human Capital & IP:

- Founding team and technical personnel retained.
- Institutional memory and formulation rights transferred.

5. Accounting Structure and Non-Cash Transaction Benefits

From an accounting standpoint, this was a non-cash transaction. No proceeds were received by the management of ERApeutics or its related parties. The shares to be issued (400,000,000) are restricted and will not be registered for resale. No liquidity will be created for insiders.

Under U.S. GAAP, the fair market value of equity consideration is determined based on the trading price of the acquirer's common stock on the date of issuance. On August 2, 2025, BFCH shares closed at \$0.0013 per share, resulting in a total recorded consideration of approximately \$520,000. This difference between the \$4 million internal benchmark and the recorded fair value produces significant accounting advantages:

- The transaction results in **positive goodwill or identifiable intangible assets**, enhancing the Company's balance sheet.
- No dilution of book value occurs based on market capitalization, as the stock issued is priced substantially below the transaction's strategic benchmark.
- The Company avoids debt issuance, cash depletion, or dilution at variable prices, preserving shareholder value.
- The resulting booked value enables accretive balance sheet growth without impacting cash flow or triggering valuation reset events.

This structure is consistent with best practices used in OTC M&A transactions and aligns with other public company asset vends where development-stage platforms are acquired using restricted equity.

6. Related Party Disclosures and Governance Considerations

This transaction constitutes a related-party transaction. Dr. Jordan P. Balencic is the CEO and controlling shareholder of BFCH and also holds an indirect economic interest in ERApeutics via BrainPower Ventures, LLC, which is a majority equity holder of ERApeutics. No direct cash consideration or personal payout was received by Dr. Balencic, and no tradable securities will be issued to him or his affiliates.

Although BFCH does not currently have a sitting Board of Directors or additional executive officers, the Company has documented the transaction in its corporate records, prepared fairness memoranda, and publicly disclosed the related-party nature of the deal in all communications and OTC Markets disclosures.

Dr. Balencic has recused himself from any valuation-related decisions made on behalf of ERApeutics and affirms that the pricing of the transaction was based on internal contractual benchmarks designed to benefit BFCH shareholders.

7. Conclusion

Management believes this transaction represents a strong outcome for BFCH shareholders:

- It brings in strategic, brand-ready, IP-backed assets without the use of cash or variable-rate debt.
- It reinforces a valuation benchmark that supports the Company's future capital formation efforts.
- It enhances BFCH's operational continuity, balance sheet strength, and public market positioning.

Accordingly, this disclosure is being filed voluntarily to ensure full transparency and to demonstrate the fairness, governance, and shareholder benefit associated with the acquisition of ERApeutics, LLC.

Prepared by:

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Chief Executive Officer

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