# EARTH FIRE ALLIANCE

## FINANCIAL STATEMENTS

## DECEMBER 31, 2025 AND 2024

EARTH FIRE ALLIANCE

CONTENTS

GRASSI

## INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Earth Fire Alliance
San Fransico, California

**Opinion**

We have audited the accompanying financial statements of Earth Fire Alliance, which comprise the statements of financial position at December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the year ended December 31, 2025 and for the period from April 12, 2024 (Inception) through December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Earth Fire Alliance as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the year ended December 31, 2025 and for the period from April 12, 2024 (Inception) through December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Earth Fire Alliance and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Earth Fire Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Earth Fire Alliance's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Earth Fire Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Grassi & Co, CPAs, P.C.

GRASSI & CO., CPAs, P.C.

New York, New York
July 9, 2026

# EARTH FIRE ALLIANCE
# STATEMENTS OF FINANCIAL POSITION
# DECEMBER 31, 2025 AND 2024

| | 2025 | 2024 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 1,082,138 | $ 1,083,051 |
| Investments | 157,233 | 5,683,572 |
| Contributions and grants receivable, net | 6,201,476 | 5,000,000 |
| Prepaid expenses | 114,295 | 13,252 |
| TOTAL ASSETS | $ 7,555,142 | $ 11,779,875 |
| **LIABILITIES AND NET ASSETS** | | |
| LIABILITIES: | | |
| Accounts payable and accrued expenses | $ 1,896,796 | $ 920,373 |
| COMMITMENTS AND CONTINGENCIES | | |
| NET ASSETS: | | |
| Without donor restrictions | 548,345 | 260,301 |
| With donor restrictions | 5,110,001 | 10,599,201 |
| Total Net Assets | 5,658,346 | 10,859,502 |
| TOTAL LIABILITIES AND NET ASSETS | $ 7,555,142 | $ 11,779,875 |

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

# EARTH FIRE ALLIANCE
## STATEMENTS OF ACTIVITIES
## FOR THE YEAR ENDED DECEMBER 31, 2025 AND FOR THE PERIOD FROM APRIL 12, 2024 (INCEPTION) THROUGH DECEMBER 31, 2024

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| REVENUES AND OTHER SUPPORT: | | | | | | |
| Contributions and grants | $ 1,327,721 | $ 14,491,376 | $ 15,819,097 | $ 325,157 | $ 23,000,000 | $ 23,325,157 |
| Contributions in-kind | 971,531 | - | 971,531 | - | - | - |
| Investment income | 19,159 | 164,998 | 184,157 | 523 | 17,355 | 17,878 |
| Other income | 6,802 | - | 6,802 | - | - | - |
| Net assets released from donor restrictions | 20,145,574 | (20,145,574) | - | 12,418,154 | (12,418,154) | - |
| Total Revenues and Other Support | 22,470,787 | (5,489,200) | 16,981,587 | 12,743,834 | 10,599,201 | 23,343,035 |
| EXPENSES: | | | | | | |
| Program service | 21,831,041 | - | 21,831,041 | 12,372,829 | - | 12,372,829 |
| Supporting services: | | | | | | |
| Management and general | 321,627 | - | 321,627 | 103,025 | - | 103,025 |
| Fundraising | 30,075 | - | 30,075 | 7,679 | - | 7,679 |
| Total Expenses | 22,182,743 | - | 22,182,743 | 12,483,533 | - | 12,483,533 |
| CHANGE IN NET ASSETS | 288,044 | (5,489,200) | (5,201,156) | 260,301 | 10,599,201 | 10,859,502 |
| NET ASSETS, BEGINNING OF PERIOD | 260,301 | 10,599,201 | 10,859,502 | - | - | - |
| NET ASSETS, END OF PERIOD | $ 548,345 | $ 5,110,001 | $ 5,658,346 | $ 260,301 | $ 10,599,201 | $ 10,859,502 |

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

EARTH FIRE ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

| | | Supporting Services | | |
|---|---|---|---|---|
| | Program Service | Management and General | Fundraising | Total |
| Salaries and related benefits | $ 621,896 | $ 30,670 | $ 30,075 | $ 682,641 |
| Professional fees | 924,219 | 271,171 | - | 1,195,390 |
| Satellite, data and analytics | 20,072,962 | - | - | 20,072,962 |
| Travel and meetings | 106,087 | 2,050 | - | 108,137 |
| Insurance | 8,118 | 2,230 | - | 10,348 |
| Information technology | 60,000 | - | - | 60,000 |
| Miscellaneous | 37,759 | 15,506 | - | 53,265 |
| TOTAL EXPENSES | $ 21,831,041 | $ 321,627 | $ 30,075 | $ 22,182,743 |

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

EARTH FIRE ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD FROM APRIL 12, 2024 (INCEPTION) THROUGH DECEMBER 31, 2024

| | | Supporting Services | | |
|---|---|---|---|---|
| | Program Service | Management and General | Fundraising | Total |
| Salaries and related benefits | $ 111,161 | $ 6,134 | $ 5,979 | $ 123,274 |
| Professional fees | 957,767 | 89,844 | - | 1,047,611 |
| Satellite, data and analytics | 11,253,501 | - | - | 11,253,501 |
| Travel and meetings | 46,578 | 3,578 | 1,700 | 51,856 |
| Insurance | 990 | 2,230 | - | 3,220 |
| Miscellaneous | 2,832 | 1,239 | - | 4,071 |
| TOTAL EXPENSES | $ 12,372,829 | $ 103,025 | $ 7,679 | $ 12,483,533 |

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

# EARTH FIRE ALLIANCE
## STATEMENTS OF CASH FLOWS
## FOR THE YEAR ENDED DECEMBER 31, 2025 AND FOR THE PERIOD FROM APRIL 12, 2024 (INCEPTION) THROUGH DECEMBER 31, 2024

| | 2025 | 2024 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | $ (5,201,156) | $ 10,859,502 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | |
| Changes in assets: | | |
| Contributions and grants receivable, net | (1,201,476) | (5,000,000) |
| Prepaid expenses | (101,043) | (13,252) |
| Changes in liabilities: | | |
| Accounts payable and accrued expenses | 976,423 | 920,373 |
| Net Cash (Used In) Provided By Operating Activities | (5,527,252) | 6,766,623 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of investments | (6,073,661) | (13,850,857) |
| Proceeds from sale of investments | 11,600,000 | 8,167,285 |
| Net Cash Provided By (Used In) Investing Activities | 5,526,339 | (5,683,572) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (913) | 1,083,051 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | 1,083,051 | - |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | $ 1,082,138 | $ 1,083,051 |

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

Note 1 - Nature of Organization

Earth Fire Alliance ("EFA") is a global, community-led 501(c)(3) nonprofit coalition founded in 2024 to deliver transformative real-time data from all wildfires on Earth. EFA is committed to serving the global wildfire community through user-driven technology, radical collaboration, and rapid action. Its purpose and mission are as follows:

- Purpose: EFA illuminates the world's fires, delivering the transformative data that first responders, scientists, and communities need to better understand, respond to, and recover from wildfire.

- Mission: EFA's mission is to Observe, Serve, Conserve:
  - Observe the planet's fires comprehensively.
  - Serve communities worldwide with timely and trustworthy fire information.
  - Conserve ecosystems, protect lives, and strengthen resilience by making critical fire data globally accessible.

EFA is committed to cultivating and maintaining a broad, diverse set of relationships to ensure the most efficient and effective use of FireSat data to improve global wildfire resilience. EFA executes its mission in three broad program areas: FireSat, FireConnect and FireImpact.

- FireSat - An unprecedented global dataset derived from a purpose-built satellite constellation focused specifically on wildfire and its effects on the planet and communities. FireSat will provide consistent, accurate, and comprehensive data on every wildfire on Earth in near real-time.
- FireConnect - Connecting local action to global datasets through public-private-philanthropic partnerships on the ground emphasizing real-time situational awareness to create new strategies, actions, and approaches to reduce the negative impacts of wildfire.
- FireImpact - Learning from the global data generated by new and emerging partnerships, advancing scientific and operational knowledge, and informing local action. FireImpact will advance understanding of the global impacts of wildfire and activate scaled efforts to measurably reduce its devastating effects.

FireSat Program

EFA's flagship program is to build, launch, and operate the FireSat constellation to provide rapid, accurate, and comprehensive wildfire data on a global scale. FireSat is a first-of-its-kind satellite focused specifically on wildfire, its conditions and behavior, and its ecological and societal effects. From its custom infrared instruments and sensors to integrated data products, FireSat is designed from the ground up with and for the global wildfire community to ensure seamless adoption when and where timely, trustworthy data and insights are needed most. EFA has entered into a Master Satellite Services Agreement ("Agreement") with a third-party contractor for this program.

- Protoflight Mission – the Protoflight satellite was built in 2024 and successfully launched in March 2025. EFA's fiscal responsibility under this agreement was fulfilled by December 31, 2024, and the satellite is providing engineering and test data to support program goals.

Note 1 - Nature of Organization (cont'd.)

FireSat Program (cont'd.)

- Phase 1/Initial Operating Capability - the buildout and operation of three satellites is as follows:
  - Buildout Phase - the buildout of three satellites began in April 2024 and will continue through Q2 2026 ("build phase"), when they are expected to be launched. EFA is obligated to pay $29.9 million during this phase, of which it expensed $7.1 million for the year ended December 31, 2024, and an additional $18.3 million for the year ended December 31, 2025.
  - Operations Phase – during this phase, the contractor will deliver data to EFA and provide maintenance and support of the three satellites. EFA is obligated to pay $6.6 million during this phase, subsequent to the launch date.

The Agreement includes a decreasing termination liability based on progress to date and remaining milestones. If the project terminates at any time during the Agreement, EFA is required to pay an amount based on the last completed project phase.

Additionally, the Agreement included a pricing discount of 35% for the Phase 1/Initial Operating Capability which is contingent on the completion of a Data License Agreement between EFA and the third-party contractor. The Data License Agreement was executed in June 2025.

Community Partnerships

EFA intends to embark on a public-private-philanthropic partnering approach. EFA will engage closely with end users as the key drivers of community benefit from the FireSat system. Key mission-aligned stakeholders-of-interest have been identified, and early engagement is already being undertaken with some.

Funding Commitments

EFA continues to identify future funding to support the FireSat Program. EFA is expected to receive future commitments of approximately $1.2 million in total from one funder during 2026 and 2027.

EFA's primary source of funding is contributions and grants.

EFA is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC") and has been granted non-private company status under Section 509(a). Contributions and grants to EFA qualify donors for the charitable contribution deduction.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

Investments

Investments are stated at the readily determinable fair value in accordance with the Not-for-Profit Entities topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). All interest and dividends are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless they have specific restrictions by explicit donor stipulations or by law.

Dividends and interest income are recognized when received, and realized capital gains or losses are recognized upon the sale of the security using the trade date basis.

Fair Value Measurement

Fair value is defined as 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. To increase the comparability of fair value measurements, a framework for measuring fair value is used which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under FASB ASC Topic 820, *Fair Value Measurement,* are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Level 3 - Valuations based on unobservable inputs reflecting EFA's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Refer to Note 4 for assets measured at fair value at December 31, 2025 and 2024 in accordance with FASB ASC Topic 820.

Contributions and Grants Receivable, Net

Contributions and grants receivable, net at December 31, 2025 and 2024 are as follows:

| | 2025 | 2024 |
|---|---|---|
| Less than one year | $ 5,139,918 | $ 5,000,000 |
| One to five years | 1,170,368 | - |
| | 6,310,286 | 5,000,000 |
| Less: Discount to net present value at 5% | 108,810 | - |
| | $ 6,201,476 | $ 5,000,000 |

Allowance for Doubtful Accounts

EFA carries its contributions and grants receivable, net at cost less an allowance for doubtful accounts to adjust its receivables to their estimated net realizable value. EFA estimates the allowance based upon a review of outstanding receivables, and management's assessment of historical collection information and aging. Contributions and grants receivable, net are written off when they are determined to be uncollectible. EFA has not identified a need for an allowance for doubtful accounts at December 31, 2025 and 2024.

Net Assets

Net assets without donor restrictions include funds having no restrictions as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use has been restricted by donors to a specific time period or purpose.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions and Grants Revenue

Contributions and grants are provided to EFA either with or without donor restrictions. Revenues and net assets are separately reported to reflect the nature of those gifts, either with or without donor restrictions. The value recorded for each contribution and grant is recognized as follows:

| Nature of the Gift | Value Recognized |
|---|---|
| *Conditional gifts, with or without restrictions* | |
| Gifts that depend on EFA overcoming a donor-imposed barrier to be entitled to the funds | Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met |
| *Unconditional gifts, with or without restrictions* | |
| Received at date of gift - cash and other assets | Fair value |
| Received at date of gift - property, equipment and long-lived assets | Estimated fair value |
| Expected to be collected within one year | Net realizable value |
| Collected in future years | Initially reported at fair value determined using the discounted present value of estimated future cash flows technique |

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

## In-Kind Contributions

EFA receives gifts-in-kind ("GIK") of technology products. GIKs are reported as contributions and expenses at their estimated fair value on the date of receipt. GIKs are valued based upon appraisal reports received from third parties. Donated GIKs are not sold, and goods are only utilized for program use.

| Non-financial contributions category | 2025 | 2024 | Donor Restriction | Fair Value Techniques |
|---|---|---|---|---|
| Technology Products | $ 971,531 | $ - | None | Appraisal reports received from independent third parties |

## Functional Allocation of Expenses

The costs of providing program activities and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. A significant portion of the costs is charged directly to the program or management and general expenses. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort.

## Accounting for Uncertainty in Income Taxes

EFA has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. EFA is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 3 - Concentration of Credit Risk

EFA maintains cash balances in a financial institution. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000. From time to time, EFA's balances may exceed this limit.

For the year ended December 31, 2025 and for the period from April 12, 2024 (inception) through December 31, 2024, 85% and 99%, respectively, of EFA's contributions and grants revenue was from three donors. At December 31, 2025 and 2024, 100% of EFA's contributions and grants receivable was from two and one donor, respectively.

## Note 4 - Fair Value Measurement

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2025 and 2024.

*Cash equivalents* are valued at cost, which approximates fair value.

*Mutual fund - fixed income* is valued at the daily closing price as reported by the fund and held by EFA and is an open-end mutual fund that is registered with the Securities and Exchange Commission. This fund is required to publish its daily net asset value ("NAV") and to transact at that price. The mutual fund held by EFA is deemed to be actively traded.

EFA’s assets measured at fair value consisted of the following at December 31, 2025:

| | 2025 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Mutual fund: | | | | |
| Fixed income | $ 157,233 | $ 157,233 | $ - | $ - |
| Total investments | $ 157,233 | $ 157,233 | $ - | $ - |

EFA’s assets measured at fair value consisted of the following at December 31, 2024:

| | 2024 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash equivalents | $ 239 | $ 239 | $ - | $ - |
| Mutual fund: | | | | |
| Fixed income | 5,683,333 | 5,683,333 | - | - |
| Total investments | $ 5,683,572 | $ 5,683,572 | $ - | $ - |

## Note 5 - Net Assets with Donor Restrictions

Net Assets with donor restrictions consisted of the following as of December 31, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| FireSat Program | $ 4,061,369 | $ 10,559,201 |
| Fire Impact | 1,048,632 | - |
| | $ 5,110,001 | $ 10,559,201 |

Note 5 - Net Assets with Donor Restrictions (cont'd.)

Net assets were released from restrictions as follows for the year ended December 31, 2025 and for the period from April 12, 2024 (inception) through December 31, 2024:

| | 2025 | 2024 |
|---|---|---|
| FireSat Program | $ 20,145,574 | $ 12,418,154 |

Note 6 - Available Resources and Liquidity

EFA regularly monitors liquidity required to meet its operating needs and other contractual commitments. EFA is highly liquid and has an adequate source of cash at its disposal.

The following reflects EFA's financial assets at December 31, 2025 and 2024 available for general use within one year:

| | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | $ 1,082,138 | $ 1,083,051 |
| Investments | 157,233 | 5,683,572 |
| Grant receivable | 6,201,476 | 5,000,000 |
| Total financial assets | 7,440,847 | 11,766,623 |
| Less: Donor restrictions for specific purposes | 5,110,001 | 10,599,201 |
| Financial assets available to meet cash needs for general expenditures within one year | $ 2,330,846 | $ 1,167,422 |

Note 7 - Subsequent Events

EFA has evaluated all events or transactions that occurred after December 31, 2025 through July 9, 2026, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure except as disclosed below:

In April 2026, EFA received and entered into a two-year grant agreement for $26,000,000 that will reimburse EFA for allowable operating expenses.