OCEANIC PRESERVATION SOCIETY

AND SUBSIDIARIES

(A California Non-Profit Corporation)

Consolidated Financial Statements (Revised)

for the year ended December 31, 2025

and Independent Auditor's Report

PREPARED BY

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Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Oceanic Preservation Society
Greenbrae, California

Opinion

We have audited the accompanying consolidated financial statements of Oceanic Preservation Society (a California non-profit corporation) and its wholly owned subsidiaries, Plastics Future, LLC, and Event Horizon Ventures LLC, which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oceanic Preservation Society and its wholly owned subsidiaries, Plastics Future, LLC, and Event Horizon Ventures LLC, as of December 31, 2025, and the consolidated changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Restatement of Previously Issued Consolidated Financial Statements

As discussed in Note 21, the consolidated financial statements as of and for the year ended December 31, 2025, which we previously reported on in our report dated May 15, 2026, have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Management is further responsible for ensuring that all significant intercompany balances and transactions between Oceanic Preservation Society and Plastics Future, LLC, and Event Horizon Ventures LLC, have been properly identified and eliminated in consolidation, and that the consolidated financial statements present the financial position, results of activities, and cash flows of the consolidated group as a single economic entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.

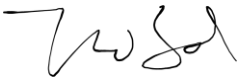
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities included in the consolidated financial statements to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit and remain solely responsible for our audit opinion.

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.

Other Matters

The accompanying consolidated financial statements include the accounts of Oceanic Preservation Society and its wholly owned subsidiaries, Plastics Future, LLC and Event Horizon Ventures LLC. All significant intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements do not include a separate opinion on Plastics Future, LLC and Event Horizon Ventures LLC individually, as our opinion is expressed on the consolidated financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying notes to the consolidated financial statements are an integral part of those consolidated financial statements and have been subjected to the audit procedures applied in the audit of the consolidated financial statements.



Tuo Shi, CPA
TS CPA PLLC
Texas
May 15, 2026, except for Note 21, as to which the date is November 2, 2026

OCEANIC PRESERVATION SOCIETY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025

	Note	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	4	806,537
Short-term investments	5	1,243,962
Accounts receivable, net	6	288,868
Other current assets		1,320
Total current assets		**2,340,687**
Non-current assets		
Capitalized production costs / work in process	7	4,576,306
Property and equipment, net	8	71,779
Investment in equity securities	5	83,234
Total non-current assets		**4,731,319**
TOTAL ASSETS		**7,072,006**
LIABILITIES AND NET ASSETS		
Current liabilities		
Credit cards and short-term borrowings		91,424
Accounts payable	9	97,569
Other current liabilities		10,272
Income taxes payable	16	98,924
Deferred revenue	11	1,771,770
Total current liabilities		**2,069,959**
Non-current liabilities		
Equity investments received / financing obligations	10	2,657,105
Total non-current liabilities		**2,657,105**
Total liabilities		**4,727,064**
Net assets		
Without donor restrictions	12	2,344,942
With donor restrictions	12	-
Total net assets		**2,344,942**
TOTAL LIABILITIES AND NET ASSETS		**7,072,006**

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

OCEANIC PRESERVATION SOCIETY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	Without Donor Restrictions
REVENUES AND SUPPORT		
Contributions and grants	13	1,365,742
Income from Fermi 42 Ventures, LLC	13	269,955
Production fees / production income	13	20,299
Fiscal sponsorship	13	1,951
Royalty income	13	350,983
Fund management fees	1, 13	559,785
Other revenue and support	13	17,697
Cost reimbursement income	13, 17	129,780
Total revenues and support		**2,716,192**
PROGRAM SERVICES EXPENSES		
Payroll and related taxes		(536,155)
Contract labor		(120,216)
Grant expenses		(137,268)
Production, post-production and development costs	7, 14	(328,014)
Travel		(52,834)
Insurance		(67,992)
Research, awareness and fundraising		(21,900)
Depreciation Expense		(39,231)
Other program expenses		(3,018)
Total program services expenses	**14**	**(1,306,628)**
Management and General Expenses		
Rent		(111,236)
Legal and professional fees		(281,790)
Website		(7,671)
Software		(9,411)
Printing		(12,439)
Telephone		(2,890)
Other expenses		(42,378)
Total supporting services expenses	**14**	**(467,815)**
Total expenses		(1,774,443)
CHANGE IN NET ASSETS BEFORE INCOME TAXES		**941,749**
INCOME TAXES		
Federal income tax - Event Horizon Ventures LLC	16	(98,924)
CHANGE IN NET ASSETS		**842,825**
Net assets, beginning of year		**1,502,117**
Net assets, end of year	**12**	**2,344,942**

All revenues, support, and expenses are classified as without donor restrictions. See Note 12.

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

OCEANIC PRESERVATION SOCIETY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	December 31, 2025
Cash flows from operating activities		
Change in net assets		842,825
Adjustment for:		
Depreciation		39,231
Gain on sale of equipment		(339)
Changes in operating assets and liabilities:		
Changes in accounts receivable		(32,658)
Other current assets		18,780
Changes in accounts payable		78,187
Other liabilities		9,992
Capitalized film production costs		(818,259)
Deferred revenue		577,500
Income taxes payable		98,924
Credit cards		76,715
Net cash provided by operating activities	15	**890,898**
Cash flows from investing activities		
Short-term investments movement		(244,735)
PPE purchases net of sale		(17,834)
Net cash used in investing activities	15	**(262,569)**
Cash flows from financing activities		
Repayments of investor capital		(277,895)
Net cash used in financing activities	15	(277,895)
Net change in cash and cash equivalents		**350,434**
Cash and cash equivalents, beginning of year		**456,103**
Cash and cash equivalents, end of year	4	**806,537**

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

OCEANIC PRESERVATION SOCIETY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 NATURE OF OPERATIONS

The consolidated financial statements include the accounts of Oceanic Preservation Society (the "Organization") and its wholly owned subsidiaries, Plastics Future, LLC, and Event Horizon Ventures LLC, as of and for the year ended December 31, 2025.

Oceanic Preservation Society is a California-based 501(c)(3) non-profit corporation founded in 2005 for the purpose of promoting marine conservation and environmental protection by combating complex global issues such as biodiversity loss, climate change, illegal wildlife trading, deforestation, and unsustainable fishing through documentary and media activities.

Plastics Future, LLC is a California-based limited liability company established specifically for the production of a documentary motion picture, which was released for distribution on March 16, 2026 (Note 19). The film explores the future of plastics with a focus on sustainability, innovation, and the environmental impact of plastic use.

Event Horizon Ventures LLC is a wholly owned Delaware subsidiary of Oceanic Preservation Society. During 2025 it earned fund management fees of $559,785 from Fermi 42 Fund I and paid the full amount to Oceanic Preservation Society. The payment is eliminated in consolidation, and the management fees are presented as revenue in the consolidated statement of activities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation. The accompanying consolidated financial statements are presented on the accrual basis of accounting and have been prepared in accordance with accounting principles generally accepted in the United States of America. The Organization presents its consolidated financial statements in accordance with Financial Accounting Standards Board guidance for not-for-profit entities (ASC 958), including presentation of net assets with donor restrictions and without donor restrictions.

Principles of consolidation. The consolidated financial statements include the accounts of Oceanic Preservation Society and Plastics Future, LLC and Event Horizon Ventures LLC. All significant intercompany accounts and transactions have been eliminated in consolidation, including reciprocal accounts receivable and accounts payable of $10,500 and intercompany production fee income and expense of $136,750, the $559,785 paid by Event Horizon Ventures LLC to Oceanic Preservation Society, and reciprocal investment/member equity balances relating to Event Horizon Ventures LLC. Cash transferred to Event Horizon Ventures LLC remains within consolidated cash.

Net assets without donor restrictions. Net assets available for use in general operations and not subject to donor-imposed restrictions are reported as net assets without donor restrictions. Board-designated net assets, if any, are also reported within net assets without donor restrictions because the designation may be modified or removed by the Board of Directors.

Net assets with donor restrictions. Net assets subject to donor-imposed restrictions are reported as net assets with donor restrictions. Restrictions are released when the stipulated time has elapsed, the stipulated purpose has been fulfilled, or both. At December 31, 2025, there were no net assets with donor restrictions.

Functional expenses. Expenses are classified by function between program services and management and general activities. Costs that benefit more than one functional category are allocated using methods considered reasonable by management, including direct identification, time and effort, headcount, or other relevant bases. See Note 14.

Going concern. Management evaluated whether conditions or events, considered in the aggregate, raise substantial doubt about the consolidated reporting group's ability to continue as a going concern within one year after the date the consolidated financial statements were available to be issued. Based on this evaluation, management concluded that no conditions or events exist that raise substantial doubt about the Organization's ability to continue as a going concern through May 15, 2027. Accordingly, the consolidated financial statements have been prepared on the going concern basis of accounting.

Cash and cash equivalents. The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

Concentration and credit risks. Cash is maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization monitors credit risk and has not experienced material losses on cash balances.

Property and equipment. Property and equipment are stated at cost less accumulated depreciation. Maintenance and repair costs are charged to operations as incurred; renewals and betterments are capitalized. Depreciation is recorded using a systematic method over the estimated useful lives of the assets.

Capitalized production costs. Motion picture production costs are accounted for under ASC 926, Entertainment - Films. Costs directly attributable to development and production are capitalized and amortized or impaired based on the recoverability of expected future revenues and other economic benefits. The Organization evaluates recoverability when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Investments and fair value measurement. Short-term investments are measured at fair value in accordance with ASC 820, Fair Value Measurement. Investments in non-marketable equity securities are accounted for under ASC 321, Investments - Equity Securities, using the measurement alternative for equity securities without a readily determinable fair value. Under this method, such investments are carried at cost, less any impairment, plus or minus observable price changes in orderly transactions for similar instruments. See Note 5.

Revenue recognition. Contributions and grants are recognized when an unconditional promise to give is made or when the qualifying event occurs. Exchange transactions, production fees, licensing income, royalties, fiscal sponsorship income, and investment income are recognized under ASC 606 and other applicable U.S. GAAP based on contract terms, performance obligations, and collectability.

Deferred revenue. Amounts received or billed before the related performance obligations are satisfied, or before revenue recognition criteria are met, are deferred and recognized as revenue in the period in which the related criteria are satisfied.

Use of estimates. The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported assets, liabilities, support, revenue, expenses, and related disclosures. Actual results could differ from those estimates, and those differences could be material.

Income taxes. Oceanic Preservation Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise and income tax under California Revenue and Taxation Code Section 23701d. Plastics Future, LLC is treated as a disregarded entity for U.S. federal and state income tax purposes; its activity is reported through its sole member, Oceanic Preservation Society. Event Horizon Ventures LLC has elected to be classified as a corporation for U.S. federal income tax purposes and files a separate federal income tax return; the subsidiary has no state income tax filing requirement in California or Delaware. Event Horizon Ventures LLC recognizes current federal income tax on its taxable income; see Note 16. The Organization evaluates uncertain tax positions under ASC 740 and recognizes the impact of tax positions only when it is more likely than not that the position will be sustained upon examination.

NOTE 3 STATEMENT OF COMPLIANCE AND CONSOLIDATION MATTERS

The consolidated financial statements have been prepared from the Organization's general ledger, bank statement reconciliations, and consolidation adjustments. Confirmed consolidation eliminations include intercompany receivables, payables, revenues, and expenses. Related-party and agency transactions have been reviewed against executed agreements and supporting schedules and are reflected in these consolidated financial statements.

NOTE 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at December 31, 2025:

Entity	Amount
Oceanic Preservation Society	223,077
Plastics Future, LLC	583,360
Event Horizon Ventures LLC	100
Total cash and cash equivalents	**806,537**

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENT

The Organization holds an investment in equity securities of $83,234 at December 31, 2025, representing a 10% ownership interest in Carpathia II, Corp., a privately held South Carolina corporation. The investment does not provide the Organization with significant influence over the investee. Accordingly, the investment is accounted for in accordance with ASC 321, Investments - Equity Securities.

Because Carpathia II, Corp. is a privately held entity and does not have a readily determinable fair value, the Organization has elected to measure the investment using the measurement alternative permitted under ASC 321, at cost, less any impairment, plus or minus observable price changes in orderly transactions for similar instruments.

As of December 31, 2025, no impairment of the equity investment has been identified. The carrying value of $83,234 reflects the corrected cost basis as further discussed in Note 12. See Note 19 for a subsequent observable event affecting this investment.

Investment in equity securities	Amount
Carpathia II, Corp Investment	83,234
Total investment in equity securities	**83,234**

Short-term investments amounted to $1,243,962 at December 31, 2025 and are presented within current assets in the consolidated statement of financial position.

NOTE 6 ACCOUNTS RECEIVABLE

Accounts receivable amounted to $288,868 at December 31, 2025 after eliminating confirmed intercompany accounts receivable of $10,500. The Organization evaluates collectability and records an allowance for expected credit losses when historical experience, current conditions, or reasonable and supportable forecasts indicate expected non-collection. No allowance for expected credit losses was required at December 31, 2025.

NOTE 7 CAPITALIZED PRODUCTION COSTS / WORK IN PROCESS

Capitalized production costs and work in process totaled $4,576,306 at December 31, 2025 ($3,758,047 at January 1, 2025 plus $818,259 capitalized during 2025), principally relating to development and production activities of the motion picture project of Plastics Future, LLC. The Organization accounts for film production costs in accordance with ASC 926, Entertainment - Films, under which costs that are directly attributable to development and production are capitalized and accumulated as work in process until the production is completed and released for distribution. Capitalized costs include direct labor, contracted production services, post-production, equipment, location expenses, and other costs directly identifiable with the production. Indirect and general administrative costs, and impact campaign, sales agent, festival and publicity costs, are expensed as incurred and are not capitalized. Capitalized costs will be amortized in accordance with ASC 926 beginning when the related production is released for distribution, based on the relationship of current period revenues to total expected revenues from the production. The production had not been released as of December 31, 2025, and no amortization expense has been recorded during the year then ended. Management evaluated the carrying value of capitalized production costs for recoverability, including after the production's release on March 16, 2026 and the revenue received under its Netflix license, and concluded that the carrying amount is recoverable from the production's expected future revenue. No impairment loss has been recognized. Recoverability of capitalized production costs is dependent upon successful completion and distribution of the production and the

realization of expected revenue streams. The production was released for distribution on March 16, 2026; see Note 19.

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment, net amounted to $71,779 at December 31, 2025. Depreciation expense for the year ended December 31, 2025 was $39,231. During 2025 the Organization sold a Fujifilm GFX 100S camera for $6,500 and recognized a gain of $339. A fixed asset register is maintained, including asset description, acquisition date, cost, accumulated depreciation, useful life, depreciation method, disposals, and impairment review. No impairment indicators were identified for the year ended December 31, 2025.

NOTE 9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable amounted to $97,569 at December 31, 2025 after eliminating confirmed intercompany accounts payable of $10,500. Credit cards and short-term borrowings amounted to $91,424 and other current liabilities amounted to $10,272. Liabilities are reconciled to vendor statements, credit card statements, accrual schedules, and subsequent disbursements.

Current Liability Category	Amount
Credit cards and short-term borrowings	91,424
Accounts payable	97,569
Other current liabilities	10,272
Income taxes payable	98,924
Deferred revenue	1,771,770
Total current liabilities	**2,069,959**

NOTE 10 EQUITY INVESTMENTS RECEIVED / FINANCING OBLIGATIONS

Equity investments received / financing obligations totaled $2,657,105 at December 31, 2025, after repayments of investor capital of $277,895 during the year. The balance represents amounts received from third-party investors in connection with the production and distribution of the motion picture project of Plastics Future, LLC. The instruments are not redeemable on demand and do not bear stated interest. Settlement is contingent on the realization of distribution, licensing, sponsorship, grant, and other revenue streams generated by the production. Distributions to investors are made in accordance with the revenue-sharing terms set out in the underlying investor agreements, which generally provide for return of investor capital, followed by a contractual share of net revenues, with the Organization retaining the residual share. Investor distributions are not legally due on a fixed schedule and are limited to actual revenues realized by the production; the Organization is not obligated to fund distributions from its general operating assets. Maximum contractual exposure is limited to the cumulative net revenues generated by the production. During the year ended December 31, 2025, the Organization repaid $277,895 of investor capital. The repayments reduced the financing obligation and are presented as a financing activity in the consolidated statement of cash flows. Management has classified these instruments as financing obligations based on

review of the substantive terms of the underlying investor agreements and continues to evaluate the classification each reporting period.

NOTE 11 DEFERRED REVENUE

Deferred revenue amounted to $1,771,770 at December 31, 2025, consisting of $1,194,270 carried forward from prior years and $577,500 received in 2025 from Netflix Worldwide Entertainment LLC (a license fee of $420,000 and an enhancement fee of $157,500). The Netflix amounts are recognized as revenue when the licensed production is available for distribution, which occurred on March 16, 2026. The $1,194,270 carried forward relates to the same production and is recognized on delivery, so all deferred revenue is presented as a current liability. Deferred revenue represents amounts received or billed before the related performance obligation is satisfied or before qualifying recognition criteria are met.

NOTE 12 NET ASSETS

Net assets at December 31, 2025 are presented as follows:

Net Asset Classification	Amount
Without donor restrictions	2,344,942
With donor restrictions	-
Total net assets	**2,344,942**

All net assets at December 31, 2025 are classified as without donor restrictions. No donor-imposed restrictions on net assets existed at year-end, and no board-designated balances are separately reported. The change in net assets without donor restrictions for the year ended December 31, 2025 was $842,825.

Liquidity and availability. Financial assets available for general expenditure within one year of December 31, 2025 consist of cash and cash equivalents of $806,537, short-term investments of $1,243,962 and accounts receivable of $288,868, totaling $2,339,367. None of these financial assets is subject to donor or other contractual restrictions. The Organization manages liquidity by keeping financial assets available to meet general expenditures, liabilities and other obligations as they come due (ASC 958-210-50-1A).

Restatement of opening net assets. Net assets, beginning of year of $1,502,117 reflects a restatement of $749,105 from previously reported net assets of $2,251,222 at December 31, 2024. The restatement corrects the prior period carrying value of the Organization's 10% equity investment in Carpathia II, Corp., which had been recorded at $832,339 in the previously issued consolidated financial statements for the year ended December 31, 2024. Subsequent review of the underlying subscription agreement and related supporting documentation indicated that the appropriate carrying value at December 31, 2024 was $83,234, consistent with the amount reported on the Organization's Form 990 for that year. The error has been corrected in accordance with ASC 250, Accounting Changes and Error Corrections, by restating opening net assets without donor restrictions for the year ended December 31, 2025. The restatement did not affect the change in net assets for the year ended December 31, 2025.

NOTE 13 REVENUE AND SUPPORT

Revenue and support amounted to $2,716,192 for the year ended December 31, 2025. The following table summarizes revenue and support by category:

Revenue and Support Category	Amount
Contributions and grants	1,365,742
Income from Fermi 42 Ventures, LLC	269,955
Production fees / production income	20,299
Fiscal sponsorship	1,951
Royalty income	350,983
Fund management fees	559,785
Other revenue and support	17,697
Cost reimbursement income	129,780
Total revenues and support	**2,716,192**

Contributions and grants represent unconditional contributions and program grants, including grants of $1,135,000 received through Plastics Future, LLC, and are recognized when an unconditional promise to give is made or when the related qualifying event occurs. Fund management fees of $559,785 were earned by Event Horizon Ventures LLC from Fermi 42 Fund I. Income from Fermi 42 Ventures, LLC of $269,955 represents the Organization's allocated income from its interest in that entity. Other revenue and support includes a $339 gain on the sale of equipment and $21 of interest income. The cost reimbursement income reflects amounts received from a related party in connection with film production activities; see Note 17 for related-party disclosure. License and enhancement fees of $577,500 received from Netflix in 2025 are deferred; see Note 11.

NOTE 14 EXPENSES AND FUNCTIONAL CLASSIFICATION

Total expenses for the year ended December 31, 2025 are presented below by natural and functional classification. Expenses that benefit more than one function are allocated using consistently applied methods, including direct identification, time and effort, and other reasonable bases.

Program Services Expense Category	Amount
Payroll and related taxes	536,155
Contract labor	120,216
Grant expenses	137,268
Production, post-production and development costs	328,014
Travel	52,834
Insurance	67,992
Research, awareness and fundraising	21,900
Depreciation expense	39,231
Other program expenses	3,018
Total program services expenses	1,306,628

Management and General Expense	Amount
Rent	111,236
Legal and professional fees	281,790
Website	7,671
Software	9,411
Printing	12,439
Telephone	2,890
Other administrative expenses	42,378
Total Management and General Expense	467,815

No fundraising expenses are separately reported. Research, awareness and fundraising activities described in the natural classification represent program-related awareness and education activities that further the Organization's exempt purpose. These activities are not undertaken to solicit contributions.

NOTE 15 CASH FLOWS

The consolidated statement of cash flows presents net cash provided by operating activities of $890,898, net cash used in investing activities of $262,569, and net cash used in financing activities of $277,895, representing repayments of investor capital during the year. Ending cash and cash equivalents of $806,537 agree to the consolidated statement of financial position.

Cash Flow Category	Amount
Net cash provided by operating activities	890,898
Net cash used in investing activities	(262,569)
Net cash used in financing activities	(277,895)
Net change in cash and cash equivalents	350,434
Cash and cash equivalents, beginning of year	456,103
Cash and cash equivalents, end of year	806,537

NOTE 16 INCOME TAXES

Oceanic Preservation Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise and income tax under California Revenue and Taxation Code Section 23701d. Income from activities not substantially related to the Organization's exempt purpose may be subject to unrelated business income tax. Plastics Future, LLC is treated as a disregarded entity for U.S. federal and state income tax purposes; its activity is reported through its sole member, Oceanic Preservation Society. Event Horizon Ventures LLC has elected to be classified as a corporation for U.S. federal income tax purposes and files a separate federal income tax return; the subsidiary has no state income tax filing requirement in California or Delaware. The Organization evaluates uncertain tax positions under ASC 740 and recognizes the impact of tax positions only when it is more likely than not that the position will be sustained upon examination. Federal income tax expense of $98,924 is Event Horizon Ventures LLC's current tax on 2025 taxable income of $471,067 (after $88,717 of Fermi 42 expenses allocated to it) at the 21% federal rate; the amount was unpaid at December 31,

2025 and is presented as income taxes payable. No uncertain tax positions were identified for the year ended December 31, 2025.

NOTE 17 RELATED-PARTY AND INTERCOMPANY TRANSACTIONS

Intercompany activity between Oceanic Preservation Society and its subsidiaries includes production fee transactions of $136,750 with Plastics Future, LLC and reciprocal accounts receivable and accounts payable of $10,500, and $559,785 paid by Event Horizon Ventures LLC to Oceanic Preservation Society, all of which have been eliminated in consolidation. The Organization recorded $129,780 of cost reimbursement income received from a related party in connection with documentary and film production activities, recorded under the substantive terms of the underlying arrangement. The Organization also recognized a grant contribution of $1,135,000 in respect of activities undertaken through Plastics Future, LLC, recognized as an unconditional contribution. All related-party transactions are conducted on terms consistent with the underlying agreements.

NOTE 18 COMMITMENTS AND CONTINGENCIES

No material commitments, grant restrictions, contract obligations, investor agreements, litigation, claims, guarantees, lease obligations, or contingent liabilities required separate provision or disclosure in the consolidated financial statements at December 31, 2025, except for the financing obligations and investor arrangements disclosed in Note 10 and other matters disclosed in these consolidated financial statements.

NOTE 19 EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 15, 2026, the date on which the consolidated financial statements were originally available to be issued, and through November 2, 2026 with respect to the matters described in Note 21.

On April 10, 2026, the Organization executed a First Amendment to Subscription Agreement with Carpathia II, Corp., made effective as of July 5, 2024, the date of the original subscription agreement. The First Amendment clarifies and restates the purchase price of the Organization's 10% equity interest in Carpathia II, Corp. as $8,323, with the difference of $74,911 between the previously recorded cost basis and the restated purchase price characterized as a grant made by the Organization to Carpathia II, Corp. in furtherance of the Organization's exempt purposes.

Management has evaluated the timing and substance of the First Amendment under ASC 855, Subsequent Events, and concluded that the amendment is appropriately reflected as a 2026 non-recognized subsequent event, as the contractual amendment was executed and delivered subsequent to December 31, 2025. The 2026 consolidated financial statements will reflect a reduction of the equity investment from $83,234 to $8,323 and recognition of $74,911 of grant expense. The First Amendment does not affect the 2025 consolidated financial statement amounts.

On March 16, 2026, the motion picture production of Plastics Future, LLC was released for distribution. Beginning in 2026, capitalized production costs will be amortized in accordance with

ASC 926, and deferred revenue of $1,771,770, including the Netflix license and enhancement fees of $577,500, will be recognized as revenue.

No other subsequent events requiring recognition or disclosure in the consolidated financial statements were identified.

NOTE 20 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issuance by the management of Oceanic Preservation Society on May 15, 2026, and the revised consolidated financial statements on November 2, 2026.

NOTE 21 RESTATEMENT OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS

After the consolidated financial statements were issued on May 15, 2026, management identified the following misstatements, which have been corrected in these restated consolidated financial statements (ASC 250):

(a) Film production costs of $773,409 incurred by Plastics Future, LLC in 2025 and directly attributable to production had been expensed. They are now capitalized as work in process (Note 7).

(b) License and enhancement fees of $577,500 received from Netflix in 2025 had been recognized as revenue. They are now deferred until the licensed production is available for distribution (Note 11).

(c) Repayments of investor capital of $277,895 had been presented as distributions that reduced net assets. They now reduce the financing obligation (Note 10).

(d) The 2025 activity of Event Horizon Ventures LLC is now presented. Fund management fees of $559,785 replace intercompany dividend and interest income of $559,806, of which $21 of interest income is now in other revenue and support, and current federal income tax of $98,924 is recognized (Notes 1 and 16).

(e) The sale of a camera has been recorded, increasing depreciation expense by $2,212 and recognizing a gain of $339 (Note 8).

(f) Income from Fermi 42 Ventures, LLC of $269,955, previously included in contributions and grants, is now presented on its own line (Note 13). This is a reclassification and does not change total revenues and support.

(g) Deferred revenue of $1,194,270 carried forward from prior years relates to the production released on March 16, 2026 and is now presented as a current liability, and payments for film production costs of $818,259 are presented as operating activities in the statement of cash flows (ASC 926-230). These are reclassifications.

The effect on each line item of the consolidated financial statements is shown below. Cash and cash equivalents are unchanged.

	As previously reported	Adjustment	As restated
Statement of financial position			
Capitalized production costs / work in process	3,802,897	773,409	4,576,306
Property and equipment, net	73,652	(1,873)	71,779
Total non-current assets	**3,959,783**	**771,536**	**4,731,319**
Total assets	**6,300,470**	**771,536**	**7,072,006**
Income taxes payable	-	98,924	98,924
Deferred revenue, current	-	1,771,770	1,771,770
Total current liabilities	**199,265**	**1,870,694**	**2,069,959**
Equity investments received / financing obligations	2,935,000	(277,895)	2,657,105
Deferred revenue, non-current	1,194,270	(1,194,270)	-
Total non-current liabilities	**4,129,270**	**(1,472,165)**	**2,657,105**
Total liabilities	**4,328,535**	**398,529**	**4,727,064**
Net assets without donor restrictions	**1,971,935**	**373,007**	**2,344,942**
Statement of activities			
Contributions and grants	1,635,697	(269,955)	1,365,742
Income from Fermi 42 Ventures, LLC	-	269,955	269,955
Fund management fees	-	559,785	559,785
Dividend and interest income	559,806	(559,806)	-
Production fees / production income	177,799	(157,500)	20,299
License fee	420,000	(420,000)	-
Other revenue and support	17,337	360	17,697
Total revenues and support	**3,293,353**	**(577,161)**	**2,716,192**

	As previously reported	Adjustment	As restated
Production, post-production and development costs	1,101,423	(773,409)	328,014
Depreciation expense	37,019	2,212	39,231
Total program services expenses	**2,077,825**	**(771,197)**	**1,306,628**
Total expenses	**2,545,640**	**(771,197)**	**1,774,443**
Change in net assets from operations / before income taxes	**747,713**	**194,036**	**941,749**
Distributions to financing investors	277,895	(277,895)	-
Federal income tax	-	98,924	98,924
Change in net assets	**469,818**	**373,007**	**842,825**
Statement of cash flows			
Depreciation	37,019	2,212	39,231
Gain on sale of equipment	-	(339)	(339)
Distributions to financing investors added back	277,895	(277,895)	-
Capitalized film production costs (operating)	-	(818,259)	(818,259)
Deferred revenue	-	577,500	577,500
Income taxes payable	-	98,924	98,924
Capitalized production costs movement (investing)	(44,850)	44,850	-
Net cash provided by operating activities	935,748	(44,850)	890,898
Net cash used in investing activities	(307,419)	44,850	(262,569)
Net cash used in financing activities	(277,895)	-	(277,895)