EXHIBIT · FORM 10-K · ITEM 1A RISK FACTORS

What the Bitcoin treasury companies' filings say about the halving

10 companies with a bitcoin treasury strategy are in this scan — a stated roster, not every such company. All 10 have filed an annual report, and all 10 carry the same risk-factor bullet: further cuts to the mining reward, the halvings included, may cause a decline in support for the network. It is one counsel-drafted sentence in seven wordings, listed among the things that could lower the bitcoin price or, in one filing, make results fluctuate. This is the complete record, in their own words.

10 / 10

companies with a 10-K that disclose it

0.63%

fees, share of miner revenue, last 12 months

50%

fees needed at the next halving to hold today's budget

554

days to block 1,050,000 · projected 5 Apr 2028

https://treasury-risk-factor.pages.dev/

verified 2026-09-29 · data through 2026-09-27

01 The finding

Every company with a bitcoin treasury strategy must tell its investors what could go wrong with the asset that strategy rests on. 10 of the 10 companies in this scan have filed an annual report on Form 10-K, and **every one of them carries the same risk-factor bullet**: further reductions in the mining reward, the scheduled halvings included, may cause a decline in support for the network. It is one counsel-drafted sentence, not independent warnings, and it is milder than the spot-bitcoin ETFs' versions: it names a decline in support for the network, and goes no further.

They are not speculating about a distant possibility. The next halving occurs at block `1,050,000`, projected **5 Apr 2028** — about 554 days from the date on this report — when the reward per block falls from 3.125 BTC to 1.5625 BTC. At 84,423 dollars per bitcoin that is **$131,911 per block** removed from mining revenue.

Over the last twelve months, transaction fees supplied **0.63%** of what miners were paid. The subsidy supplied the other 99.37%. Put in units a reader can hold: of every 24 hours of Bitcoin's security budget, fees pay for about **9 minutes**, and the subsidy pays for the remaining 23 h 51 m.

For total miner revenue to survive the halving unchanged, at a constant bitcoin price, fees would have to reach **50% of revenue — roughly 79 times their current share**. The best single month in Bitcoin's recorded history was 22.9%, in December 2017. No company quoted in this report asserts that this gap will close. Each lists further halvings among the things that may cause a decline in support for the Bitcoin network.

The four numbers

0.63% fees today, 12-month mean	**50%** fees needed after the halving	**79×** the gap between them
$38.7M paid for security per day		

02 The roster

Which companies are in this report, and which are not. A company is included when it has a bitcoin treasury strategy of its own (it holds bitcoin or, in one case, states that it intends to adopt bitcoin as its primary treasury reserve asset) and its latest Form 10-K, filed since 1 June 2025, carries the disclosure inside Item 1A. Six were named in advance; four more were found by an EDGAR full-text search for the sentence itself. It is therefore a stated roster and not a census: other companies with a bitcoin treasury strategy file Form 10-K and are not in it, and their absence here is not a finding about them. Sixteen other filers were considered and left out, each for a recorded reason: companies whose main business is bitcoin mining or an exchange, custody or wallet service, a spot-bitcoin ETF, a trust on another network, a miner of other coins, a delisted bitcoin-ATM operator, and one company that no longer files.

TICKER	REGISTRANT	FILING	STATUS
MSTR	Strategy Inc	10-K · 2026-02-19	✓ discloses it
DJT	Trump Media & Technology Group Corp.	10-K · 2026-02-27	✓ discloses it
XXI	Twenty One Capital, Inc.	10-K · 2026-03-31	✓ discloses it
ASST	Strive, Inc.	10-K · 2026-03-19	✓ discloses it
NAKA	Nakamoto Inc.	10-K · 2026-03-30	✓ discloses it
BRR	ProCap Financial, Inc.	10-K · 2026-02-18	✓ discloses it
ANGX	Angel Studios, Inc.	10-K · 2026-03-12	✓ discloses it
LVO	LiveOne, Inc.	10-K · 2026-06-29	✓ discloses it
ATHR	Aether Holdings, Inc.	10-K · 2025-12-17	✓ discloses it
SILO	Silo Pharma, Inc.	10-K · 2026-03-27	✓ discloses it

Considered and excluded. Semler Scientific (SMLR) was named in advance, but it merged and stopped filing — Form 25-NSE on 16 January 2026 and Form 15-12G on 26 January 2026 — and its last Form 10-K, of 28 February 2025, predates this scan's window. It is not part of the universe and is not counted in the 10.

03 The filings, verbatim

Each passage below is reproduced exactly as filed, with the sentence that names the risk highlighted. Nothing is paraphrased. The full EDGAR address of each document is printed beneath its quote, together with the paragraph index and the SHA-256 of the document, so any reader can fetch the original and confirm both the wording and the file. EDGAR adds one bot-detection <script src> tag, carrying a rotating token, to every download; the hash printed here is of the document with that tag removed, so it reproduces whenever the file is fetched.

The excerpts are the filings' own English and are never translated — they are the evidence. Beneath each one, the highlighted sentence is given in this edition's language.

Strategy Inc

MSTR
Form 10-K · filed 2026-02-19
Item 1A Risk Factors

- further reductions in mining rewards of bitcoin, including due to block reward halving events, which are programmed events that occur approximately every four years (the most recent of which occurred in April 2024) that reduce the block reward earned by “miners” who validate bitcoin transactions, or increases in the costs associated with bitcoin mining, including increases in electricity costs and hardware and software used in mining, or new or enhanced regulation or taxation of bitcoin mining, which could further increase the costs associated with bitcoin mining, any of which may cause a decline in support for the Bitcoin network;

> *Counsel-drafted boilerplate: DJT, XXI, ASST, NAKA, BRR, ANGX, LVO, ATHR and SILO file variants of this same passage.*

Also in Strategy's 10-K — from Item 1, its business section, not a risk factor. Quoted because it is the same filing:

Bitcoin transactions are validated and recorded on a public, distributed ledger maintained by a globally distributed network of nodes and miners, which reduces reliance on any single system or intermediary and makes certain network-level attacks, such as "51% attacks," difficult and costly to execute.

MSTR · https://www.sec.gov/Archives/edgar/data/1050446/000105044626000020/mstr-20251231.htm
¶168 · document sha-256 f8bdfc4540033f3cbf68917e

MSTR · CIK 1050446 · https://www.sec.gov/Archives/edgar/data/1050446/000105044626000020/mstr-20251231.htm
¶274 · document sha-256 f8bdfc4540033f3cbf68917e

TMTG

Trump Media & Technology Group Corp.

DJT
Form 10-K · filed 2026-02-27
Item 1A Risk Factors

• further reductions in mining rewards of bitcoin, including due to block reward halving events, which are programmed events that occur approximately every four years (the most recent of which occurred in April 2024) that reduce the block reward earned by "miners" who validate bitcoin transactions, or increases in the costs associated with bitcoin mining, including increases in electricity costs and hardware and software used in mining, or new or enhanced regulation or taxation of bitcoin mining, which could further increase the costs associated with bitcoin mining, any of which may cause a decline in support for the Bitcoin network;

Counsel-drafted boilerplate: MSTR, XXI, ASST, NAKA, BRR, ANGX, LVO, ATHR and SILO file variants of this same passage.

Quoted from the 10-K. Trump Media's later 10-K/A, of 30 April 2026, amends only part of the report and carries no Item 1A, so the risk factors are quoted from the 10-K it amends.

DJT · CIK 1849635 · https://www.sec.gov/Archives/edgar/data/1849635/000114036126007174/ef20062365_10k.htm
¶536 · document sha-256 8a3ec79aae275f214b670b5f

XXI

Twenty One Capital, Inc.

XXI
Form 10-K · filed 2026-03-31
Item 1A Risk Factors

● further reductions in mining rewards of Bitcoin, including due to block reward halving events, which are events that occur after a specific period of time (the most recent of which occurred in April 2024) that reduce the block reward earned by "miners" who validate Bitcoin transactions, or increases in the costs associated with Bitcoin mining, including increases in electricity costs and hardware and software used in mining, or new or enhanced regulation or taxation of Bitcoin mining, which could further increase the costs associated with Bitcoin mining, any of which may cause a decline in support for the Bitcoin network;

Counsel-drafted boilerplate: MSTR, DJT, ASST, NAKA, BRR, ANGX, LVO, ATHR and SILO file variants of this same passage.

XXI · CIK 2070457 · https://www.sec.gov/Archives/edgar/data/2070457/000121390026037460/ea0280065-10k_twenty.htm
¶423 · document sha-256 510368fe1793b8e2b470231c

STRIVE

Strive, Inc.

ASST
Form 10-K · filed 2026-03-19
Item 1A Risk Factors

• further reductions in mining rewards of bitcoin, including due to block reward "halving" events, which are events that occur after a specific period of time (the most recent of which occurred in April 2024) that either reduce the block reward earned by "miners" who validate bitcoin transactions, or increase the costs associated with bitcoin mining, including increases in electricity costs and hardware and software used in mining, or new or enhanced regulation or taxation of bitcoin mining, which could further increase the costs associated with bitcoin mining, any of which may cause a decline in support for the bitcoin network;

> *Counsel-drafted boilerplate: MSTR, DJT, XXI, NAKA, BRR, ANGX, LVO, ATHR and SILO file variants of this same passage.*

ASST · CIK 1920406 · https://www.sec.gov/Archives/edgar/data/1920406/000162828026019879/asst-20251231.htm
¶203 · document sha-256 6790ea3df369356518e9f136

NAKAMOTO
Nakamoto Inc.

NAKA
Form 10-K · filed 2026-03-30
Item 1A Risk Factors

● further reductions in mining rewards of Bitcoin, including reductions due to block reward halving events, which are events that occur after a specific period of time that reduce the block reward earned by "miners" who validate Bitcoin transactions (the most recent reduction in mining rewards occurred in April 2024), which may cause a decline in support for the Bitcoin network;

> *Counsel-drafted boilerplate: MSTR, DJT, XXI, ASST, BRR, ANGX, LVO, ATHR and SILO file variants of this same passage.*

NAKA · CIK 1946573 · https://www.sec.gov/Archives/edgar/data/1946573/000149315226013601/form10-k.htm
¶230 · document sha-256 7f8b99cbbcd1ad21c43bf1f2

ProCap Financial
ProCap Financial, Inc.

BRR
Form 10-K · filed 2026-02-18
Item 1A Risk Factors

● further reductions in mining rewards of Bitcoin, including due to block reward halving events, which are events that occur after a specific period of time that reduce the block reward earned by "miners" who validate Bitcoin transactions, or increases in the costs associated with Bitcoin mining, including increases in electricity costs and hardware and software used in mining, or new or enhanced regulation or taxation of Bitcoin mining, which could further increase the costs associated with Bitcoin mining, any of which may cause a decline in support for the Bitcoin network;

> *Counsel-drafted boilerplate: MSTR, DJT, XXI, ASST, NAKA, ANGX, LVO, ATHR and SILO file variants of this same passage.*

BRR · CIK 2076163 · https://www.sec.gov/Archives/edgar/data/2076163/000149315226007352/form10-k.htm
¶296 · document sha-256 b01bbacaa89652e34027ff48

ANGEL STUDIOS
Angel Studios, Inc.

ANGX
Form 10-K · filed 2026-03-12
Item 1A Risk Factors

● further reductions in mining rewards of bitcoin, including due to block reward halving events, which are events that occur after a specific period of time (the most recent of which occurred in April 2024) that reduce the block reward earned by "miners" who validate bitcoin transactions, or increases in the costs associated with bitcoin mining, including increases in electricity costs and hardware and software used in mining, or new or enhanced regulation or taxation of bitcoin mining, which could further increase the costs associated with bitcoin mining, any of which may cause a decline in support for the bitcoin network;

> *Counsel-drafted boilerplate: MSTR, DJT, XXI, ASST, NAKA, BRR, LVO, ATHR and SILO file variants of this same passage.*

> *Companies you wouldn't expect. Angel Studios is a media company that makes films and television. It has a bitcoin treasury strategy, which is why this bullet is in its risk factors.*

ANGX · CIK 1865200 · https://www.sec.gov/Archives/edgar/data/1865200/000186520026000020/angx-20251231x10k.htm
¶331 · document sha-256 1f33b6a047b49078949353dc

LiveOne, Inc.

LVO
Form 10-K · filed 2026-06-29
Item 1A Risk Factors

- further reductions in mining rewards of bitcoin, including block reward halving events, which are events that occur after a specific period of time that reduce the block reward earned by "miners" who validate bitcoin transactions, or increases in the costs associated with bitcoin mining, including increases in electricity costs and hardware and software used in mining, that may cause a decline in support for the bitcoin network;

> *Counsel-drafted boilerplate: MSTR, DJT, XXI, ASST, NAKA, BRR, ANGX, ATHR and SILO file variants of this same passage.*

> *Companies you wouldn't expect. LiveOne is a music, entertainment and technology platform. In July 2025 it adopted a treasury reserve strategy with bitcoin as its first reserve asset, which is why this bullet is in its risk factors.*

LVO · CIK 1491419 · https://www.sec.gov/Archives/edgar/data/1491419/000143774926021987/lvo20260331_10k.htm
¶756 · document sha-256 add66cf22109b950cf442ea4

Aether Holdings, Inc.

ATHR
Form 10-K · filed 2025-12-17
Item 1A Risk Factors

- further reductions in mining rewards of bitcoin, including block reward halving events, which are events that occur after a specific period of time that reduce the block reward earned by "miners" who validate bitcoin transactions, or increases in the costs associated with bitcoin mining, including increases in electricity costs and hardware and software used in mining, that may cause a decline in support for the Bitcoin network;

> *Counsel-drafted boilerplate: MSTR, DJT, XXI, ASST, NAKA, BRR, ANGX, LVO and SILO file variants of this same passage.*

> *Companies you wouldn't expect. Aether Holdings is a financial-technology company that runs SentimenTrader, a trading-research platform. It holds bitcoin under a treasury strategy, which is why this bullet is in its risk factors.*

ATHR · CIK 2026353 · https://www.sec.gov/Archives/edgar/data/2026353/000149315225028195/form10-k.htm
¶399 · document sha-256 c73c37713e5ec2a8068bd73c

Silo Pharma, Inc.

SILO
Form 10-K · filed 2026-03-27
Item 1A Risk Factors

- further reductions in mining rewards of digital assets, including block reward halving events, which are events that occur after a specific period of time that reduce the block reward earned by "miners" who validate digital assets transactions, or increases in the costs associated with Bitcoin mining, including increases in electricity costs and hardware and software used in mining, that may cause a decline in support for the Digital Asset networks;

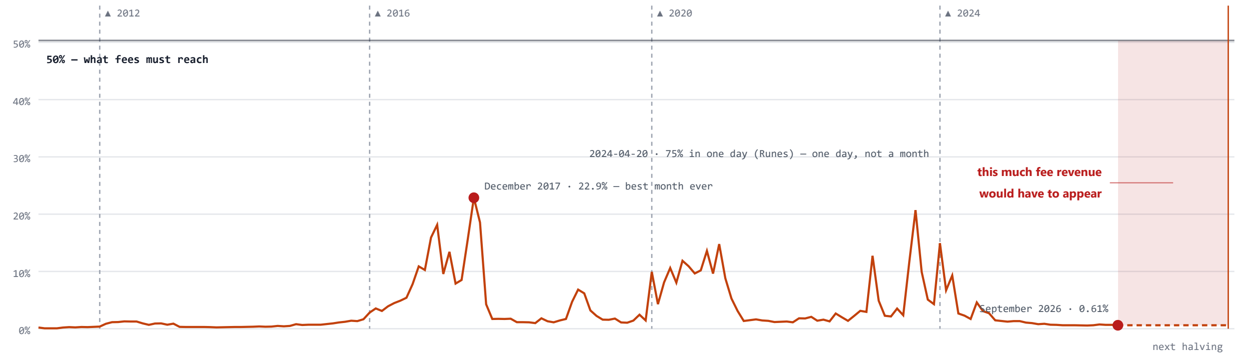
> *Counsel-drafted boilerplate: MSTR, DJT, XXI, ASST, NAKA, BRR, ANGX, LVO and ATHR file variants of this same passage.*

> *Companies you wouldn't expect. Silo Pharma is a developmental-stage drug company working on treatments for PTSD and chronic pain. It holds a digital-asset treasury — bitcoin, ether and others — which is why this bullet is in its risk factors, and why its version speaks of digital assets generally.*

SILO · CIK 1514183 · https://www.sec.gov/Archives/edgar/data/1514183/000121390026035576/ea0282804-10k_silo.htm
¶436 · document sha-256 7238aa30418db0b5d944ebaf

04 What the filings are describing

The chart plots transaction fees as a share of total miner revenue — fees divided by fees plus subsidy, in bitcoin terms — as a monthly average of daily values since 2012. The four dashed rules are the past halvings. The shaded band is the shortfall: the distance between where fees are now and where they would have to be at the next halving for miner revenue to stay where it is today.



Fees are drawn flat from today to the halving because nothing in the series implies a climb; the band is therefore the size of the problem, not a forecast of it. A higher bitcoin price can substitute for a higher fee share — none of the filings quoted here assumes one.

The arithmetic

Let miner revenue per block be `R = F + S`, where F is fees and S is the subsidy. Today F is 0.63% of R. After the halving the subsidy pays S/2, so to hold R constant fees must supply `F + S/2` — which, as a share of the unchanged revenue, is `0.63 + (100 - 0.63) / 2 = 50.32%`. That is 79.3 times today's fee share. The identity holds in bitcoin terms and assumes a constant price; it is arithmetic, not a projection.

Reference figures

22.9%
best month ever · December 2017

0.67%
last full month · 2026-08 · 24/31

0.82%
security budget as a share of market value

9.87
minutes per block, trailing 14 days

05 How this report was made

On 2026-09-24 the most recent Form 10-K for each company was retrieved from EDGAR. Every paragraph matching a subsidy / halving / miner-incentive pattern was archived verbatim together with its byte offset and the SHA-256 of the source document, and each quoted paragraph was checked to sit inside Item 1A. The quotes in section 03 are drawn from that archive and re-checked byte-for-byte against it on every rebuild: a quote that does not match its archived paragraph cannot be published, and the build fails instead. The one excerpt from outside Item 1A — Strategy's business section — is labelled as such. Fee figures are recomputed from a daily series on every rebuild. The countdown derives from the live chain tip and the trailing 14-day block interval; the projected date moves with that interval, and the block number is the fixed thing.

How the universe was chosen: six named, four found

This report's roster was built in two steps, and neither makes it a census:

- Six recognisable bitcoin treasury companies were named in advance and resolved by ticker against EDGAR's company file and their own submissions history. Four more were found only by an EDGAR full-text search for “decline in support for the Bitcoin network” and “block reward halving” across Form 10-K filings since 1 June 2025, with no name filter. They are kept because each company's own bitcoin treasury strategy is why the sentence is in its risk factors.
- Two resolutions a careless re-run would get wrong. `DJT`'s most recent annual filing is a Form 10-K/A of 30 April 2026 — but a partial one, carrying no Item 1A at all, so the risk factors are quoted from the Form 10-K of 27 February 2026 that it amends. And `BRR` now appears on EDGAR as Silvia, Inc.; its 10-K was filed as ProCap Financial, Inc., and this report uses the name on that filing's cover.

On shared drafting

All 10 of these filings carry the same counsel-drafted bullet, in seven wordings. Strategy's and Trump Media's are identical word for word, and nine end on the same clause. This report says so rather than presenting 10 companies as 10 independent judgements. The finding is how far one sentence has travelled — into the filings of a film studio, a music company, a trading-research platform and a drug developer — not that these companies separately raised an alarm.

Limits

- Fee share is measured in bitcoin terms. A rising bitcoin price can hold the dollar value of the security budget while the fee share stays flat; none of the quoted filings assumes that it will.
- Figures are as of 2026-09-27 and the report is stamped 2026-09-29. A later edition will differ.
- The quotes are excerpts. Each is linked to its full document so the surrounding context can be read.
- The trailing-year fee share is an average over the days the series actually carries: 358 of 365 calendar days. The gaps are days with no published fee observation, not days with zero fees.

06 Sources and notices

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Nothing in this report is investment advice, a recommendation to buy or sell any security or digital asset, or a statement about the merits of any company or of any treasury strategy. It concerns one disclosed risk factor common to a category of filings.

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Chain data: the block interval and the build-time height are derived from the same daily series as the fee figures — the height from its cumulative issuance, carried forward at the trailing 14-day block rate. The web edition replaces that figure with a live tip fetched from public Bitcoin APIs; this printed one is the derived value. Fee and subsidy series computed from daily network totals. Derived tip at build: 969,197; blocks remaining to the halving: 80,803.

What the Bitcoin treasury companies' filings say about the halving · https://treasury-risk-factor.pages.dev/ · verified 2026-09-29