



Financial Statements

For the Year Ended
December 31, 2025

The Progeria Research Foundation, Inc.

Financial Statements
For the Year Ended December 31, 2025

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Independent Auditors' Report

To the Board of Directors
The Progeria Research Foundation, Inc.
Peabody, Massachusetts

Opinion

We have audited the accompanying financial statements of The Progeria Research Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, 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 The Progeria Research Foundation, Inc. as of December 31, 2025, and the changes in its net assets and its 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. 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 The Progeria Research Foundation, Inc. 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.

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 The Progeria Research Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 The Progeria Research Foundation, Inc.'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 The Progeria Research Foundation, Inc.'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.

Lithuanowicz & Associates, LLP

Woburn, Massachusetts
July 21, 2026

The Progeria Research Foundation, Inc.

Statement of Financial Position

December 31, 2025

Assets

Current assets:

Cash and cash equivalents	\$ 4,369,460
Certificates of deposit	3,940,388
Contributions receivable, net	123,656
Investments	41,294,699
Prepaid expenses and other current assets	45,299
Total current assets	<u>49,773,502</u>

Property and equipment, net	<u>20,447</u>
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Other assets:

Patents, net	73,274
Security deposit	3,000
Operating lease right-of-use asset, net	108,779
Total other assets	<u>185,053</u>

Total assets	<u>\$ 49,979,002</u>
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Liabilities and Net Assets

Current liabilities:

Current portion of operating lease liability	\$ 54,601
Accounts payable and other current liabilities	415,106
Total current liabilities	<u>469,707</u>

Long term liabilities:

Operating lease liability, net of current portion	<u>57,098</u>
Total liabilities	<u>526,805</u>

Net assets:

Without donor restrictions	49,332,586
With donor restrictions	119,611
Total net assets	<u>49,452,197</u>

Total liabilities and net assets	<u>\$ 49,979,002</u>
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The accompanying notes are an integral part of the financial statements.

The Progeria Research Foundation, Inc.

Statement of Activities

For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Investment income, net	\$ 3,965,643	\$ -	\$ 3,965,643
Contributions	1,670,322	111,179	1,781,501
Government grant	98,625	-	98,625
Net assets released from restriction	251,568	(251,568)	-
	<u>5,986,158</u>	<u>(140,389)</u>	<u>5,845,769</u>
Special events - contribution element	140,491	-	140,491
Special events - exchange element	20,490	-	20,490
Less: costs of direct benefits to donors	(17,075)	-	(17,075)
	<u>143,906</u>	<u>-</u>	<u>143,906</u>
Total support and revenue before in-kind contributions	6,130,064	(140,389)	5,989,675
In-kind contributions	<u>805,204</u>	<u>-</u>	<u>805,204</u>
Total support and revenue	<u>6,935,268</u>	<u>(140,389)</u>	<u>6,794,879</u>
Expenses			
Program services	3,024,716	-	3,024,716
Supporting services	705,362	-	705,362
Fundraising	208,071	-	208,071
Total expenses before in-kind services	<u>3,938,149</u>	<u>-</u>	<u>3,938,149</u>
In-kind services	<u>805,204</u>	<u>-</u>	<u>805,204</u>
Total expenses	<u>4,743,353</u>	<u>-</u>	<u>4,743,353</u>
Change in net assets	2,191,915	(140,389)	2,051,526
Net assets at beginning of year	<u>47,140,671</u>	<u>260,000</u>	<u>47,400,671</u>
Net assets at end of year	<u>\$ 49,332,586</u>	<u>\$ 119,611</u>	<u>\$ 49,452,197</u>

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

The Progeria Research Foundation, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2025

	Program Services	Supporting Services	Fundraising	Total
Salaries and related expenses:				
Salaries and wages	\$ 689,788	\$ 314,026	\$ 128,261	\$ 1,132,075
Employee benefits	52,173	17,873	14,559	84,605
Payroll taxes	49,844	24,996	8,670	83,510
Total salaries and related expenses	791,805	356,895	151,490	1,300,190
Other expenses:				
Professional fees	1,012,779	144,092	-	1,156,871
Drug trial	927,130	-	-	927,130
Future trial efforts	574,601	-	-	574,601
Scientific workshop	183,667	-	-	183,667
Diagnostic testing	85,550	-	-	85,550
Medical and research database	80,130	-	-	80,130
Cell and tissue bank	79,290	-	-	79,290
Occupancy	11,036	41,354	2,790	55,180
Computer expenses	-	43,042	-	43,042
Printing	22,971	-	16,817	39,788
Media expense	25,635	-	-	25,635
Strategic planning meetings	-	24,850	-	24,850
Office expenses	194	24,598	-	24,792
Online processing fees	-	24,014	-	24,014
Communications	12,978	9,298	-	22,276
Postage and shipping	2,729	3,969	14,949	21,647
Consulting	-	-	21,325	21,325
Depreciation and amortization	10,457	8,862	-	19,319
Special events - costs of direct benefits to donors	-	-	17,075	17,075
Recruiting	-	12,406	-	12,406
Travel	7,400	1,140	700	9,240
Insurance	-	6,463	-	6,463
Life insurance	-	2,931	-	2,931
Patient handbooks	1,568	-	-	1,568
Dues and subscriptions	-	1,448	-	1,448
Total other expenses	3,038,115	348,467	73,656	3,460,238
Total expenses by function	3,829,920	705,362	225,146	4,760,428
Less items included within support and revenue:				
Special events - costs of direct benefits to donors	-	-	(17,075)	(17,075)
Total expenses as presented on the statement of activities	3,829,920	705,362	208,071	4,743,353
Less items separately stated on statement of activities:				
In-kind services	(805,204)	-	-	(805,204)
Total expenses included in the functional categories on the Statement of Activities	\$ 3,024,716	\$ 705,362	\$ 208,071	\$ 3,938,149

The Progeria Research Foundation, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2025

Cash flows from operating activities:	
Change in net assets	\$ 2,051,526
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Interest and dividends reinvested	(1,693,975)
Realized and unrealized gains on investments	(2,091,010)
Depreciation and amortization	19,319
Reduction in carrying amount of operating lease right-of-use asset	53,191
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Contributions receivable	130,468
Prepaid expenses and other current assets	(1,195)
Increase (decrease) in:	
Accounts payable and other current liabilities	(47,213)
Operating lease liability	(53,811)
Net cash used in operating activities	<u>(1,632,700)</u>
Cash flows from investing activities:	
Proceeds from sale of investments	4,017,747
Purchases of investments	(180,831)
Purchases of property and equipment	(12,032)
Net cash provided by investing activities	<u>3,824,884</u>
Net increase in cash and cash equivalents	2,192,184
Cash and cash equivalents at beginning of year	<u>2,177,276</u>
Cash and cash equivalents at end of year	<u>\$ 4,369,460</u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	\$ -
Income taxes	\$ -
Cash paid during the year for amounts included in the measurement of lease liability:	
Operating cash outflows for operating lease	<u>\$ 55,800</u>
Supplemental disclosure of non-cash investing activities:	
Investments received and recognized as contribution revenue	<u>\$ 95,013</u>
Interest and dividends reinvested	<u>\$ 1,693,975</u>

The Progeria Research Foundation, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2025

1. Nature of Business

The Progeria Research Foundation, Inc. (the Organization) is a nonprofit organization established in 1999 in the Commonwealth of Massachusetts to discover treatments and the cure for Hutchinson-Gilford Progeria Syndrome and its aging-related disorders, including heart disease.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets generally accepted accounting principles (GAAP) to ensure the statements of financial position, activities, functional expenses and cash flows are consistently reported. References to GAAP issued by the FASB in these notes are to the FASB Accounting Standards Codification (ASC).

Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting. A summary of the significant accounting policies applied in the preparation of the financial statements follows.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Financial Statement Presentation

Financial statement presentation follows FASB ASC Topic No. 958 *Not-for-Profit Entities* (ASC 958). Under ASC 958, the Organization is required to report information regarding its net assets, revenues, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions

Net assets without restrictions include amounts available for use in general operations and not subject to donor-imposed restrictions. The Organization's board may designate net assets without restrictions for specific operational purposes from time to time.

With Donor Restrictions

Net assets with restrictions include amounts resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations. Some stipulations are temporary in nature that expire with the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. If the stipulation is fulfilled in the same time period in which the contribution is received, the contribution is reported as having no restrictions in the year received. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid instruments with original maturities of three months or less, when purchased, to be cash equivalents.

The Progeria Research Foundation, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2025

2. Summary of Significant Accounting Policies...continued

Certificates of Deposit and Allowance for Credit Losses

The Organization classifies its certificates of deposit as cash and cash equivalents or certificates of deposit and reassesses the appropriateness of the classifications of its investments at the end of each reporting period. Certificates of deposit held for investment with an original maturity greater than three months are carried at amortized cost and reported as certificates of deposit on the statement of financial position. The type of certificates of deposit that the Organization invests in are not considered debt securities under FASB ASC Topic No. 320 *Investments – Debt Securities*. At December 31, 2025, the Organization had two certificates of deposit, each with fixed interest rates between 3.93% and 3.97%, and mature at various times through August 2026.

The Organization evaluates the expected credit losses over the life of each certificate of deposit. After assessing relevant factors such as the credit quality of the certificate, economic conditions, and the issuer's ability to meet financial obligations, the Organization has determined that there is a low likelihood of credit default. Additionally, the certificates of deposit are held at a financial institution along with its operating cash and cash equivalents, which are insured by the Federal Deposit Insurance Corporation (FDIC), as well as by Depositors Insurance Fund (DIF) for all amounts over the FDIC insured balance (See Note 14). Therefore, the Organization has not recognized an allowance for credit losses in relation to the certificates of deposit at December 31, 2025.

Contributions Receivable

Contributions receivable are stated at unpaid balances, less an allowance for doubtful accounts. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed stipulations, if any, on the contribution. The Organization provides for losses on accounts using the allowance method. The allowance for doubtful accounts is based on experience and other circumstances, which may affect the ability of the contributors to meet their obligations. Receivables are considered uncollectible if full payments are not received in accordance with the terms of the pledge. At December 31, 2025, management has determined an allowance for doubtful accounts was not necessary.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of the donation. Thereafter, investments are reported at fair values in the statement of financial position. Investment income or loss, which consists of interest and dividend income, realized gains and losses, and unrealized gains and losses on those investments, less external and direct internal investment expenses, is included in revenue and support in the statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line and accelerated methods over estimated useful lives ranging between five and fifteen years. The Organization capitalizes expenditures for property and equipment with a cost in excess of \$1,000. Expenditures for maintenance and repairs are charged to expense as incurred and expenditures which significantly increase values or extend useful lives are capitalized. Upon the disposition of property and equipment, the cost and related accumulated depreciation are eliminated from the accounts and the gain or loss thereon is reflected in the statement of activities.

The Progeria Research Foundation, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2025

2. Summary of Significant Accounting Policies...continued

Patents

Patents are capitalized and amortized on a straight-line basis over their estimated useful lives of 15 years. The Organization capitalizes certain costs to maintain, defend and renew patents as incurred and amortizes those costs over the remaining life of the related patent.

Website Development Costs

The Organization follows FASB ASC Topic No. 350-50 *Website Development Costs* (ASC 350-50). Under ASC 350-50, website development costs incurred in the development phase of a website are capitalized to the extent their estimated useful life exceeds one year. Costs incurred that relate to the planning and post-implementation phases are expensed as incurred. Costs associated with the repair and maintenance of the existing site or development of website content are expensed as incurred. Website development costs of \$15,568 were fully amortized at December 31, 2025.

Fair Value Measurements

The Organization discloses the fair value of investments (see Note 5) in accordance with FASB ASC Topic No. 820 *Fair Value Measurements* (ASC 820). The framework under ASC 820 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The three levels of the fair value hierarchy under ASC 820 are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation Techniques

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

Equity Securities, Mutual Funds

Equity securities and mutual funds are valued based on quoted prices from an active market. These investments are categorized as Level 1 as they are actively traded and no valuation adjustments have been applied.

The Progeria Research Foundation, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2025

2. Summary of Significant Accounting Policies...continued

Valuation Techniques...continued

Debt Securities

Debt securities consist of government and commercial bonds which are valued based upon valuation obtained from third-party pricing sources. These pricing sources utilize industry standard valuation models, including both income and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include market pricing based on real-time trade data for the same or similar securities, issuer credit spreads, benchmark yields, and other observable inputs, which are classified as Level 2.

Leases

The Organization accounts for leases under FASB ASC Topic No. 842 *Leases* (ASC 842), which establishes a right-of-use model for lessee accounting, resulting in the recognition of most leased assets and lease liabilities on the statement of financial position of the lessee. The Organization assesses whether an agreement contains a lease at inception. All leases are reviewed for finance or operating classification once control is obtained. Leases with an initial term of 12 months or less are not recorded on the statement of financial position.

All of the Organization's leases are operating leases. Right-of-use (ROU) assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease ROU asset also includes any lease payments made in advance and is reduced by lease incentives received. As most leases do not provide an implicit rate, the Organization uses the risk-free US Treasury Rate to determine the implicit rate in determining the present value of lease payments. Lease terms include options to extend the lease when it is reasonably certain that the Organization will exercise that option. The Organization assumes options are reasonably certain to be exercised based on management's judgment. Lease expense for lease payments is recognized on a straight-line basis over the lease term unless the related ROU asset has been adjusted for an impairment charge (see Note 8).

Revenue Recognition

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received, pledged, or notification of a beneficial interest is received. Conditional promises to give, which are those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions of property and equipment and other long-lived assets are also reported as revenue and net assets without donor restrictions, unless subject to time restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

The Progeria Research Foundation, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2025

2. Summary of Significant Accounting Policies...continued

Revenue Recognition...continued

Contributions...continued

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions depending upon the condition(s) stipulated by the donor. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction. However, if a restriction is fulfilled in the same time period in which the contribution is received, the amount is reported as without donor restrictions in the year received.

In-Kind Contributions

In-kind contributions are reflected as contributions at their estimated fair value at the date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the estimated fair value of contributed services if such services meet the following criteria:

- The services received either create or enhance nonfinancial assets, or
- The services received require special skills and are provided by individuals possessing those skills, and the services received would typically need to be purchased if not contributed.

Many individuals volunteered their time and performed a variety of tasks to assist the Organization in carrying out its mission during the year ended December 31, 2025. These services did not meet the recognition criteria for contributed services. Accordingly, a value for these services has not been reflected in the accompanying statement of activities. However, the Organization receives donated services of \$805,204 during the year ended December 31, 2025, which did meet the recognition criteria (see Note 11).

Special Events

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the excess a donor pays for those benefits. The Organization recognizes special events revenue for the exchange element equal to the fair value of the direct benefits to donors at the point in time which the event takes place.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification, while other expenses are allocated based on management's systematic and rational policy as follows:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages, payroll taxes and employee benefits	Time and effort
Occupancy	Square footage

The Progeria Research Foundation, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2025

2. Summary of Significant Accounting Policies...continued

Income Taxes

The Organization is a nonprofit organization, which is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is a public charity according to Section 509(a)(1) of the IRC. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Organization accounts for the uncertainty in income taxes in accordance with the provisions of FASB ASC Topic No. 740 *Income Taxes* (ASC 740), which prescribes a recognition threshold of more likely-than-not, and a measurement attribute for all tax positions taken or expected to be taken on a tax return, in order for those tax positions to be recognized in the financial statements.

When necessary, the Organization accounts for interest and penalties related to uncertain tax positions as part of its provision for income taxes. The Organization does not expect that unrecognized tax benefits arising from tax positions will change significantly within the next 12 months.

3. Liquidity and Availability

Financial assets available for general expenditures within one year of the statement of financial position date at December 31, 2025 consisted of the following:

Cash and cash equivalents	\$ 4,369,460
Certificates of deposit	3,940,388
Contributions receivable, net	123,656
Investments	41,294,699
Total financial assets	49,728,203
Less: net assets with donor restrictions	(119,611)
Total financial assets available for general use	\$ 49,608,592

The Organization's financial assets generally are reduced by amounts not available for general use because of donor imposed restrictions for a specified purpose within one year of the statement of financial position date.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization increases financial assets through annual and semi-annual events, individual and corporate gifts, and foundation and other grants. The Organization has a goal to raise funds equal to the expected general expenditures annually, where surpluses will be utilized for subsequent year program expenditures. It also maintains a balance of liquid assets to support any unanticipated liquidity needs.

The Progeria Research Foundation, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2025

4. Investments

A comparison of the actual costs and fair values of investments at December 31, 2025 is as follows:

	Cost	Fair Value	Unrealized Gains (Losses)
Investments held at fair value:			
Equity Securities, mutual funds	\$ 18,475,666	\$ 20,913,516	\$ 2,437,850
Debt securities	20,996,782	20,381,183	(615,599)
	<u>\$ 39,472,448</u>	<u>\$ 41,294,699</u>	<u>\$ 1,822,251</u>

The following schedule summarizes net investment income, including realized and unrealized gains and losses, for the year ended December 31, 2025:

Interest and dividends	\$ 1,874,633
Realized and unrealized gains on investments, net of investment fees	<u>2,091,010</u>
	<u>\$ 3,965,643</u>

Interest and dividends include interest earned on cash and cash equivalents, and certificates of deposit.

5. Fair Value Disclosures

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value on a recurring basis at December 31, 2025:

	Level 1	Level 2	Level 3	Total
Equity securities, mutual funds	\$ 20,913,516	\$ -	\$ -	\$ 20,913,516
Debt securities	-	20,381,183	-	20,381,183
	<u>\$ 20,913,516</u>	<u>\$ 20,381,183</u>	<u>\$ -</u>	<u>\$ 41,294,699</u>

6. Property and Equipment

Property and equipment at December 31, 2025 consisted of the following:

Furniture and equipment	\$ 84,314
Leasehold improvements	<u>7,132</u>
	91,446
Less: accumulated depreciation	<u>(70,999)</u>
	<u>\$ 20,447</u>

Depreciation expense totaled \$8,862 for the year ended December 31, 2025.

The Progeria Research Foundation, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2025

7. Patents

Patent costs for the development of a Farnesyltransferase inhibitors (FTIs) drug treatment for children with Progeria totaled \$162,693, net of accumulated amortization of \$89,419, at December 31, 2025. Amortization expense totaled \$10,457 for the year ended December 31, 2025.

Amortization expense for the years ending December 31st is as follows:

2026	\$	10,457
2027		10,457
2028		10,457
2029		10,457
2030		7,129
Thereafter		24,317
	\$	<u>73,274</u>

8. Leases

The Organization has an operating lease for an office building that was extended in November 2022. The extended term expires in December 2027 and includes rent escalations.

During the year ended December 31, 2025, lease expense consisted of the following:

Operating lease costs	\$	55,180
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Supplemental statement of financial position information for leases at December 31, 2025 is as follows:

ROU assets	\$	317,049
Reduction in carrying amount of ROU assets		<u>(208,270)</u>
	\$	<u>108,779</u>
Weighted average remaining term (in years)		2.00
Weighted average discount rate		1.46%

Maturities of lease liabilities at December 31, 2025, are as follows:

2026	\$	55,800
2027		<u>57,480</u>
Total lease payments		113,280
Less: amounts representing interest		<u>(1,581)</u>
Total discounted lease liabilities		111,699
Less: current portion		<u>(54,601)</u>
Long-term portion of lease liabilities	\$	<u>57,098</u>

The Progeria Research Foundation, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2025

9. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2025 have been restricted by donors for the following:

Subject to expenditure for specified purpose:

Gene base editing	\$ 111,179
Handbook printing	<u>8,432</u>
	<u>\$ 119,611</u>

Net assets with donor restrictions were released from donor restrictions during the year ended December 31, 2025 by incurring expenses satisfying the purposes or by the occurrence of the passage of time as follows:

Subject to both the passage of time and specified purpose:

Gene base editing	\$ 250,000
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Subject to expenditure for specified purpose:

Handbook printing	<u>1,568</u>
	<u>\$ 251,568</u>

10. Revenue from Contracts with Customers

The Organization is a research foundation established to discover treatments and the cure for Hutchinson-Gilford Progeria Syndrome and its aging-related disorders, including heart disease. The Organization's revenue from the exchange element of special events is recognized at a point in time. Revenue from contracts with customers in the current fiscal year totaled \$20,490.

The Organization evaluated the following economic factors that affect the nature, amount, timing and uncertainty of its revenue and cash flows. Revenue (not including contributions and other support) is generated primarily by special events for fundraising. The special events are not seasonal or cyclical but occur sporadically over the fiscal year.

Description of the Organization's Performance Obligations with Customers

The Organization's performance obligations are met at a point in time when the event or sale occurs. The Organization becomes aware that it has met the performance obligation based upon the occurrence of the event or sale. Payment for charity auction items or event ticket sales are due at the point of sale. None of the Organization's contracts contained a significant financing component.

11. Gifts in-kind

The Organization was provided legal services at no cost during the year ended December 31, 2025. Based upon current market rates for legal services the Organization would have paid \$805,204 for the year ended December 31, 2025.

All gifts in-kind received by the Organization for the year ended December 31, 2025 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

The Progeria Research Foundation, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2025

12. Retirement Plan

The Organization established a Savings Incentive Match Plan for Employees (SIMPLE IRA) on June 1, 2022. All employees are eligible to participate. The Organization contributes a matching amount equal to 100% of the employees' contributions, up to a maximum amount of 3% of eligible compensation per annum. During the year ended December 31, 2025, the Organization contributed \$27,235 to the plan.

13. Commitments

Collaboration and Supply Agreement

During the year ended December 31, 2018, the Organization entered into a ten-year agreement with the option to renew for two years with an unrelated party to aid in the supply of a drug for trials, research, and children with Progeria. The unrelated party was responsible for all costs related to studies up to the first \$2,000,000 and all costs thereafter would have been allocated between the Organization and the unrelated party. In March 2024, the collaboration and supply agreement was amended and restated. Under the terms of the new agreement, the unrelated third party is responsible for all costs related to studies. The Organization has no further financial obligation under the agreement. Additionally, the guaranteed period for which the drug will be supplied by the unrelated third party for studies is extended by three and one half years to June 2031, and an additional three and one half years contingent upon certain conditions as defined in the agreement.

14. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments.

The Organization maintains its cash and certificates of deposit accounts with one financial institution. Balances are insured by the FDIC up to \$250,000 per institution, as well as DIF for all amounts over the FDIC insured balance. At December 31, 2025, the Organization held all cash and cash equivalents and certificates of deposit balances within the financial institution with both FDIC and DIF insurance.

The Organization's investments are exposed to market and credit risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the Organization's financial position. The Organization mitigates this risk by applying a conservative investing approach and diversifying their investments amongst a wide variety of industries, countries, and types of investments.

Contributions Receivable and Support

At December 31, 2025, balances due from one donor represented 80% of the Organization's contributions receivable. For the year ended December 31, 2025, one donor represented 21% of the Organization's total contributions.

15. Subsequent Events

The Organization has evaluated subsequent events for potential disclosure or recognition through July 21, 2026 the date the financial statements were available to be issued.