UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-41715

Beneficient

(Exact name of registrant as specified in its charter)

Nevada	**72-1573705**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

325 North St. Paul Street, Suite 4850
Dallas, TX 75201
(Address of principal executive offices, including zip code)

(214) 445-4700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Class A common stock, par value $0.001 per share	BENF	Nasdaq Stock Market LLC
Warrants, each whole warrant exercisable for one share of Class A common stock, par value $0.001 per share, and one share of Series A convertible preferred stock, par value $0.001 per share	BENFW	Nasdaq Stock Market LLC

Securities registered pursuant to section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☐ Yes ☒ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☐ Yes ☒ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of November 9, 2026, Beneficient had 19,146,748 shares of Class A common stock outstanding and 29,908 shares of Class B common stock outstanding.

EXPLANATORY NOTE

References to "Beneficient," "we," "us," "our," the "Company" and similar terms refer to Beneficient, a Nevada corporation. In order to maintain its listing on The Nasdaq Stock Market, LLC ("Nasdaq"), in 2024, the Company effected a reverse stock split of its Class A common stock, par value $0.001 per share (the "Class A common stock"), and its Class B common stock, par value $0.001 per share (the "Class B common stock" and together, with the Class A common stock, the "common stock") at a ratio of eighty (80) to one (1) and a simultaneous proportionate reduction in the authorized shares of each class of common stock as required by Nevada Revised Statutes ("NRS") Section 78.207 (the "2024 Reverse Stock Split"). The Company's Class A common stock commenced trading on a post-reverse stock split basis at market open on April 18, 2024.

In order to again maintain its listing on Nasdaq, the Company effected a second reverse stock split of its common stock at a ratio of eight (8) to one (1) and a simultaneous proportionate reduction in the authorized shares of each class of common stock as required by NRS Section 78.207 (the "2025 Reverse Stock Split"). The Company's Class A common stock commenced trading on a post-reverse stock split basis at market open on December 15, 2025.

Proportional adjustments were made to the number of shares of common stock issuable upon exercise or conversion of the Company's equity awards, warrants, and other equity instruments convertible into common stock, as well as the applicable exercise price. All share and per share amounts of our common stock presented in this Quarterly Report on Form 10-Q have been retroactively adjusted to reflect both the 2024 Reverse Stock Split and 2025 Reverse Stock Split.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements as defined under U.S. federal securities laws. Forward-looking statements include all statements that are not historical statements of fact and statements regarding, but not limited to, our expectations, hopes, beliefs, intentions, or strategies regarding the future. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "will," "would," and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to significant risks and uncertainties. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

Summary of Risk Factors

The following is a summary of the principal risks that could adversely affect our business, financial condition, and results of operations:

- we do not have a significant operating history or an established customer base;
- our fair value estimates of illiquid assets may not accurately estimate prices obtained at the time we enter into any liquidity transaction, and we cannot provide assurance that the values of the alternative assets underlying the liquidity transactions that we report from time to time will be realized;
- we received a deficiency notice from Nasdaq indicating that we do not meet the minimum Market Value of Listed Securities requirement of $35 million under Nasdaq Listing Rule 5550(b)(2); if we do not regain compliance, or are otherwise unable to maintain compliance with all applicable continued listing requirements, our securities could be delisted from Nasdaq;
- we have been notified that events of default have occurred with respect to the HCLP Loan Agreement (as defined herein), and we are subject to litigation in connection with the same. As a result of the events of default, HCLP (as defined herein) has made attempts to secure the collateral under the HCLP Loan Agreement;
- Brad K. Heppner, our former Chairman of the Board of Directors (the "Board") and Chief Executive Officer, was convicted of fraud, has financial interests that conflict with the interests of Beneficient and its stockholders, and following his resignation, Mr. Heppner retains certain rights to nominate candidates for our Board. Additionally, we are currently involved in litigation brought by Mr. Heppner and his affiliates and may be subject to additional litigation in the future;
- we identified a material weakness in our internal control over financial reporting and our management concluded that our disclosure controls and procedures and internal control over financial reporting were not effective as of March 31, 2025. While we implemented remedial actions and concluded the material weakness was remediated as of

June 30, 2025, if we fail to maintain effective disclosure controls and procedures and internal control over financial reporting, it could result in a material misstatement in our financial statements or a failure to meet our reporting and financial obligations, each of which could have a material adverse effect on our financial condition and the trading price of our Class A common stock;

- future resales of Class A common stock may cause the market price of Class A common stock to drop significantly;
- the market price for Class A common stock has been, and may continue to be, subject to substantial fluctuations, which may make it difficult for stockholders to sell shares at the volumes, prices, and times desired;
- we may be adversely affected by negative publicity;
- we have been involved in a now-terminated investigation brought by the U.S. Securities and Exchange Commission (the "SEC") and may be subject to other regulatory investigations and proceedings;
- a determination that we are an unregistered investment company would have serious adverse consequences;
- the Company is currently involved in legal proceedings, has been involved in government investigations, and may be a party to additional claims, litigation and government investigations in the future;
- our liquidity, profitability and business may be adversely affected by concentrations of assets, which are collateralized by a portion of the cash flows from the exchanged alternative assets (the "Collateral");
- we engage in related party transactions, which may result in conflicts of interest involving our senior management;
- usage of our Class A common stock or securities convertible into Class A common stock as consideration for the Customer ExAlt Trusts' (as defined herein) investments in alternative assets may create significant volatility in our investment income and the price of our Class A common stock;
- our current inability to raise sufficient capital, recurring losses from operations, negative cash flows from operations, existing events of defaults on our related party debts, delays in executing our business plans and the results from the recent confirmation by the Texas Court of Appeals confirming a previous equity arbitration award raises substantial doubt regarding our ability to continue as a going concern. If we are unable to obtain sufficient additional funding, do not have access to capital or are not successful in negotiating a settlement with the equity arbitration claimant or otherwise reducing the potential current cash requirements associated with the arbitration, we may be required to terminate or significantly curtail our operations;
- our liquidity, profitability and business may be adversely affected by an inability to access, or ability to access only on unfavorable terms, the capital markets, and we may never obtain the maximum anticipated proceeds contemplated under the current capital raising agreements such as the A&R SEPA (as defined herein);
- the due diligence process that we undertake in connection with any liquidity transaction may or may not reveal all facts that may be relevant in connection with such liquidity transaction;
- poor performance of our Collateral would cause a decline in our revenue, income and cash flow and could adversely affect our ability to raise capital for future liquidity transactions;
- we historically had a substantial amount of goodwill and intangible assets, which we have been, and may in the future be, required to write down any remaining value of our goodwill due to impairment;
- we are subject to repayment risk in connection with our liquidity transactions;
- transfer restrictions applicable to alternative assets may prevent us from being able to attract a sufficient number of Customers (as defined herein) to achieve our business goals;
- our operations, products and services may be negatively impacted by changes in economic and market conditions;
- shares of Class A common stock and Series A and Series B preferred stock issued by Beneficient are structurally subordinated to interests in Beneficient Company Holdings, L.P. ("BCH"), a subsidiary of Beneficient;
- allocations of write downs in the value of our intangible assets and goodwill due to impairment will result in a decrease in the capital account balance of the Class A Units of BCH (the "BCH Class A Units") indirectly held by the Company;
- we are or will become subject to comprehensive governmental regulation and supervision;
- we may incur fines, penalties and other negative consequences from regulatory violations;
- we may be impacted adversely by claims or litigation, including claims or litigation relating to our fiduciary

responsibilities;

- if we are unable to protect our intellectual property rights, our business could be negatively affected;
- Beneficient's Board and management have significant control over Beneficient's business;
- we may issue additional shares of authorized common stock or preferred stock without stockholder approval subject to the applicable rules of Nasdaq and Nevada law, which would dilute existing stockholder interests;
- the holders of Class B common stock have the right to elect a majority of the Board and the ability to vote with Class A common stock in director elections for the remaining directors, with each share of Class B common stock having 10 votes per share;
- the Company may engage in transactions that represent a conflict of interest, with the review of such transactions subject to the Nevada statutory business judgment rule; and
- other risks, uncertainties and factors set forth in the "Risk Factors" section in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2026 filed with the SEC on June 30, 2026 (the "Annual Report") and in the "Management's Discussion and Analysis" and "Risk Factors" sections of this Quarterly Report on Form 10-Q, as well as those described from time to time in our future reports filed with the SEC.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in the Annual Report or in this Quarterly Report on Form 10-Q. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Many of the important factors that will determine these results are beyond our ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

BENEFICIENT
Form 10-Q
For the Quarter Ended September 30, 2026
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PART I. FINANCIAL INFORMATION

Item 1 — Financial Statements

BENEFICIENT
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Dollars and shares in thousands, except per share amounts)	September 30, 2026 *(unaudited)*	March 31, 2026
ASSETS		
Cash and cash equivalents	$ 7,476	$ 2,543
Investments, at fair value:		
Investments held by Customer ExAlt Trusts (related party of nil and nil)	201,049	195,536
Derivative asset, related party	3,976	21,652
Other assets, net (related party of $515 and $514)	6,345	9,127
Goodwill	8,435	9,914
Total assets	$ 227,281	$ 238,772
LIABILITIES, TEMPORARY EQUITY, AND EQUITY (DEFICIT)		
Accounts payable and accrued expenses (related party of $18,999 and $17,571)	$ 59,909	$ 63,788
Other liabilities (related party of $36,007 and $30,497)	195,483	176,651
Warrants liability	273	308
Convertible debt, at fair value	1,357	—
Debt due to related parties	96,786	96,785
Total liabilities	353,808	337,532
Redeemable noncontrolling interests		
Preferred Series A Subclass 0 Redeemable Unit Accounts, nonunitized	90,526	90,526
Total temporary equity	90,526	90,526
Shareholders' equity (deficit):		
Preferred stock, par value $0.001 per share, 250,000 shares authorized		
Series A preferred stock, 0 and 0 shares issued and outstanding as of September 30, 2026 and March 31, 2026, respectively	—	—
Series B preferred stock, 3,229 and 1,831 shares issued and outstanding as of September 30, 2026 and March 31, 2026, respectively	3	2
Class A common stock, par value $0.001 per share, 625,000 and 625,000 shares authorized as of September 30, 2026 and March 31, 2026, respectively, 18,958 and 14,419 shares issued as of September 30, 2026 and March 31, 2026, respectively, and 18,957 and 14,418 shares outstanding as of September 30, 2026 and March 31, 2026, respectively	19	14
Class B convertible common stock, par value $0.001 per share, 31 shares authorized, 30 and 30 shares issued and outstanding as of September 30, 2026 and March 31, 2026, respectively	—	—
Additional paid-in capital	1,906,048	1,884,835
Accumulated deficit	(2,124,317)	(2,095,478)
Treasury stock, at cost (1 share as of September 30, 2026 and March 31, 2026)	(3,444)	(3,444)
Accumulated other comprehensive income (loss)	614	52
Noncontrolling interests	4,024	24,733
Total equity (deficit)	(217,053)	(189,286)
Total liabilities, temporary equity, and equity (deficit)	$ 227,281	$ 238,772

See accompanying notes to consolidated financial statements.

BENEFICIENT
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

(Dollars in thousands, except per share amounts)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues				
Investment income (loss), net	$ (13,834)	$ (3,162)	$ 2,041	$ (15,938)
Gain (loss) on financial instruments, net (related party of $(10,886), $(4), $(14,646) and $(5), respectively)	(11,547)	211	(15,313)	166
Interest and dividend income	10	10	20	20
Trust services and administration revenues (related party of nil, $8, nil and $15, respectively)	85	178	131	366
Total revenues	(25,286)	(2,763)	(13,121)	(15,386)
Operating expenses				
Employee compensation and benefits	2,791	2,429	5,618	5,760
Interest expense (related party of $2,741, $3,140, $5,449 and $6,457, respectively)	4,706	4,898	9,276	8,313
Professional services, net	3,493	5,331	6,979	13,288
Loss on impairment of goodwill	1,479	—	1,479	—
Accrual of loss contingency related to arbitration award	—	—	—	62,831
Other expenses (related party of $714, $714, $1,428 and $1,428, respectively)	1,593	2,443	3,252	4,934
Total operating expenses	14,062	15,101	26,604	95,126
Net income (loss) before income taxes	(39,348)	(17,864)	(39,725)	(110,512)
Income tax expense	22	43	22	43
Net income (loss)	**(39,370)**	**(17,907)**	**(39,747)**	**(110,555)**
Plus: Net (income) loss attributable to noncontrolling interests - Customer ExAlt Trusts	117	9,780	(1,402)	25,992
Plus: Net loss attributable to noncontrolling interests - Ben	22,179	9,191	22,200	25,175
Less: Noncontrolling interest guaranteed payment	(4,982)	(4,693)	(9,890)	(9,317)
Net income (loss) attributable to Beneficient common shareholders	$ (22,056)	$ (3,629)	$ (28,839)	$ (68,705)
Other comprehensive income (loss):				
Unrealized gain (loss) on investments in available-for-sale debt securities	107	92	562	92
Total comprehensive income (loss)	(39,263)	(17,815)	(39,185)	(110,463)
Less: Comprehensive gain (loss) attributable to noncontrolling interests	(17,207)	(14,186)	(10,346)	(41,758)
Total comprehensive income (loss) attributable to Beneficient	$ (22,056)	$ (3,629)	$ (28,839)	$ (68,705)
Net income (loss) per common share [1]				
Class A - basic	$ (1.49)	$ (3.00)	$ (1.97)	$ (58.68)
Class B - basic	$ (1.49)	$ (3.00)	$ (1.97)	$ (58.68)
Net income (loss) per common share [1]				
Class A - diluted	$ (1.49)	$ (3.00)	$ (1.97)	$ (58.68)
Class B - diluted	$ (1.49)	$ (3.00)	$ (1.97)	$ (58.68)

[1] Periods presented have been adjusted to reflect the 1-for-8 reverse stock split on December 15, 2025. See Note 1 - Summary of Significant Accounting Policies - Reverse Stock Split, for additional information.

See accompanying notes to consolidated financial statements.

BENEFICIENT
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT) [1]
(UNAUDITED)

For the three months ended September 30, 2026 and 2025:

(Dollars and shares in thousands)	Series A preferred stock Shares	Series A preferred stock Amount	Series B preferred stock Shares	Series B preferred stock Amount	Class A common stock Shares	Class A common stock Amount	Class B common stock Shares	Class B common stock Amount	APIC	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Noncontrolling interests (Note 9)	Total equity (deficit)	Redeemable noncontrolling interests
Balance, June 30, 2026	—	$ —	2,704	$ 3	14,769	$ 15	30	$ —	$ 1,894,784	$ (2,102,261)	$ (3,444)	$ 507	$ 26,305	$ (184,091)	$ 90,526
Net income (loss)	—	—	—	—	—	—	—	—	—	(22,056)	—	—	(19,111)	(41,167)	1,797
Reclass of distributions payable to noncontrolling interest holder	—	—	—	—	—	—	—	—	—	—	—	—	(171)	(171)	—
Recognition of share-based compensation cost	—	—	—	—	—	—	—	—	163	—	—	—	—	163	—
Unrealized gain (loss) on available-for-sale debt securities	—	—	—	—	—	—	—	—	—	—	—	107	—	107	—
Preferred A-0 Unit Accounts guaranteed payment accrual	—	—	—	—	—	—	—	—	—	—	—	—	(3,185)	(3,185)	(1,797)
Settlement of restricted stock units	—	—	—	—	43	—	—	—	—	—	—	—	—	—	—
Issuance of restricted stock units to settle liabilities	—	—	—	—	—	—	—	—	163	—	—	—	—	163	—
Issuance of Class A common stock to settle liabilities	—	—	—	—	872	1	—	—	923	—	—	—	—	924	—
Issuance of equity in connection with recent financings	—	—	745	—	—	—	—	—	7,258	—	—	—	186	7,444	—
Issuance of Class A common stock	—	—	—	—	33	—	—	—	35	—	—	—	—	35	—
Shares issued upon conversion of promissory notes	—	—	—	—	2,622	3	—	—	2,722	—	—	—	—	2,725	—
Conversion of Series B-1 preferred stock to Class A common stock	—	—	(220)	—	619	—	—	—	—	—	—	—	—	—	—
Balance, September 30, 2026	—	$ —	3,229	$ 3	18,958	$ 19	30	$ —	$ 1,906,048	$ (2,124,317)	$ (3,444)	$ 614	$ 4,024	$ (217,053)	$ 90,526

(Dollars and shares in thousands)	Series A preferred stock Shares	Series A preferred stock Amount	Series B preferred stock Shares	Series B preferred stock Amount	Class A common stock [1] Shares	Class A common stock [1] Amount	Class B common stock [1] Shares	Class B common stock [1] Amount	APIC [1]	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Noncontrolling interests (Note 9)	Total equity (deficit)	Redeemable noncontrolling interests
Balance, June 30, 2025	—	$ —	1,543	$ 2	1,178	$ 1	30	$ —	$ 1,856,731	$ (2,073,128)	$ (3,444)	$ (2)	$ 99,443	$ (120,397)	$ 90,526
Net income (loss)	—	—	—	—	—	—	—	—	—	(3,629)	—	—	(15,970)	(19,599)	1,692
Reclass of distributions payable to noncontrolling interest holder	—	—	—	—	—	—	—	—	—	—	—	—	(410)	(410)	—
Recognition of share-based compensation cost	—	—	—	—	—	—	—	—	462	—	—	—	—	462	—
Issuance of Class A common stock to settle liabilities	—	—	—	—	5	—	—	—	26	—	—	—	—	26	—
Unrealized gain (loss) on available-for-sale debt securities	—	—	—	—	—	—	—	—	—	—	—	90	—	90	—
Realized gain (loss) on available-for-sale debt securities	—	—	—	—	—	—	—	—	—	—	—	2	—	2	—
Preferred A-0 Unit Accounts guaranteed payment accrual	—	—	—	—	—	—	—	—	—	—	—	—	(3,001)	(3,001)	(1,692)
Balance, September 30, 2025	—	$ —	1,543	$ 2	1,183	$ 1	30	$ —	$ 1,857,219	$ (2,076,757)	$ (3,444)	$ 90	$ 80,062	$ (142,827)	$ 90,526

[1] Periods presented have been adjusted to reflect the 1-for-8 reverse stock split on December 15, 2025. See Note 1 - Summary of Significant Accounting Policies - Reverse Stock Split, for additional information.

See accompanying notes to consolidated financial statements.

BENEFICIENT
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT) [1] (cont'd)
(UNAUDITED)

For the six months ended September 30, 2026 and 2025:

	Series A preferred stock		Series B-1 preferred stock		Class A common stock		Class B common stock							
(Dollars and units in thousands)	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	APIC	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Noncontrolling interests (Note 9)	Total equity (deficit)	Redeemable noncontrolling interests
Balance, March 31, 2026	—	$ —	1,831	$ 2	14,419	$ 14	30	$ —	$ 1,884,835	$ (2,095,478)	$ (3,444)	$ 52	$ 24,733	$ (189,286)	$ 90,526
Net income (loss)	—	—	—	—	—	—	—	—	—	(28,839)	—	—	(14,475)	(43,314)	3,567
Reclass of distributions payable to noncontrolling interest holder	—	—	—	—	—	—	—	—	—	—	—	—	(316)	(316)	—
Recognition of share-based compensation cost	—	—	—	—	—	—	—	—	348	—	—	—	—	348	—
Issuance of shares in connection with standby equity purchase agreement	—	—	—	—	60	—	—	—	233	—	—	—	—	233	—
Unrealized gain (loss) on available-for-sale debt securities	—	—	—	—	—	—	—	—	—	—	—	562	—	562	—
Preferred A-0 Unit Accounts guaranteed payment accrual	—	—	—	—	—	—	—	—	—	—	—	—	(6,323)	(6,323)	(3,567)
Settlement of restricted stock units	—	—	—	—	43	—	—	—	—	—	—	—	—	—	—
Issuance of restricted stock units to settle liabilities	—	—	—	—	—	—	—	—	163	—	—	—	—	163	—
Issuance of Class A common stock to settle liabilities	—	—	—	—	872	1	—	—	923	—	—	—	—	924	—
Issuance of equity in connection with recent financings	—	—	1,620	1	—	—	—	—	15,789	—	—	—	405	16,195	—
Shares issued upon conversion of promissory notes	—	—	—	—	2,622	3	—	—	2,722	—	—	—	—	2,725	—
Shares issued as commitment fee payment	—	—	—	—	280	1	—	—	1,000	—	—	—	—	1,001	—
Issuance of Class A common stock	—	—	—	—	33	—	—	—	35	—	—	—	—	35	—
Conversion of Series B-1 preferred stock to Class A common stock	—	—	(222)	—	629	—	—	—	—	—	—	—	—	—	—
Balance, September 30, 2026	—	$ —	3,229	$ 3	18,958	$ 19	30	$ —	$ 1,906,048	$ (2,124,317)	$ (3,444)	$ 614	$ 4,024	$ (217,053)	$ 90,526

[1] Periods presented have been adjusted to reflect the 1-for-8 reverse stock split on December 15, 2025. See Note 1 - Summary of Significant Accounting Policies - Reverse Stock Split, for additional information.

	Series A preferred stock		Series B preferred stock		Class A common stock [1]		Class B common stock [1]							
(Dollars and units in thousands)	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	APIC [1]	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income	Noncontrolling interests (Note 9)	Total equity (deficit)	Redeemable noncontrolling interests
Balance, March 31, 2025	—	$ —	363	$ —	1,060	$ 1	30	$ —	$ 1,844,496	$ (2,008,052)	$ (3,444)	$ (2)	$ 132,076	$ (34,925)	$ 90,526
Net income (loss)	—	—	—	—	—	—	—	—	—	(68,705)	—	—	(45,209)	(113,914)	3,359
Noncontrolling interest reclass	—	—	—	—	—	—	—	—	—	—	—	—	(1,331)	(1,331)	—
Recognition of share-based compensation cost	—	—	—	—	—	—	—	—	923	—	—	—	—	923	—
Issuance of shares in connection with equity purchase agreement	—	—	—	—	118	—	—	—	271	—	—	—	—	271	—
Issuance of shares in connection with recent financings	—	—	1,180	2	—	—	—	—	11,503	—	—	—	295	11,800	—
Unrealized gain (loss) on available-for-sale debt securities	—	—	—	—	—	—	—	—	—	—	—	90	—	90	—
Realized gain (loss) on available-for-sale debt securities	—	—	—	—	—	—	—	—	—	—	—	2	—	2	—
Preferred A-0 guaranteed payment accrual	—	—	—	—	—	—	—	—	—	—	—	—	(5,958)	(5,958)	(3,359)
Miscellaneous adjustment to previously allocated FLP Subclass 3 income	—	—	—	—	—	—	—	—	—	—	—	—	189	189	—
Issuance of common shares to settle liability	—	—	—	—	5	—	—	—	26	—	—	—	—	26	—
Balance, September 30, 2025	—	$ —	1,543	$ 2	1,183	$ 1	30	$ —	$ 1,857,219	$ (2,076,757)	$ (3,444)	$ 90	$ 80,062	$ (142,827)	$ 90,526

[1] Periods presented have been adjusted to reflect the 1-for-8 reverse stock split on December 15, 2025. See Note 1 - Summary of Significant Accounting Policies - Reverse Stock Split, for additional information.

See accompanying notes to consolidated financial statements.

BENEFICIENT
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Dollars in thousands)	Six Months Ended September 30, 2026	2025
Cash flows from operating activities:		
Net income (loss)	$ (39,747)	$ (110,555)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	249	385
Net amortization of debt premium and discount (related party of $(60) and $182)	(60)	182
Impairment on goodwill	1,479	—
Gain (loss) on financial instruments, net (related party of $(14,646) and $(5))	15,313	(166)
Return on investments in alternative assets held by Customer ExAlt Trusts	1,219	—
Investment income (loss), net	(2,041)	15,938
Non cash interest expense (related party of $5,510 and $5,573)	9,336	7,364
Non cash interest income	(19)	(256)
Non cash share-based compensation	348	923
Accrual of loss contingency related to arbitration award	—	62,831
Provision for deferred taxes	(22)	43
Changes in assets and liabilities:		
Changes in other assets	(982)	(955)
Changes in accounts payable and accrued expenses	771	(1,098)
Net cash used in operating activities	(14,156)	(25,364)
Cash flows from investing activities:		
Return of investments in alternative assets held by Customer ExAlt Trusts	7,258	7,780
Proceeds from disposition of alternative assets held by Customer ExAlt Trusts	7,919	37,174
Purchase of investments in alternative assets held by Customer ExAlt Trusts	(106)	(2,033)
Purchase of premises and equipment	—	(96)
Net cash provided by investing activities	15,071	42,825
Cash flows from financing activities:		
Proceeds from related party debt financings	—	850
Payments on related party debt financings	—	(15,026)
Proceeds from issuance of convertible debt	3,775	—
Proceeds from subscription agreements	10	—
Proceeds received from issuance of Class A common shares under equity purchase agreement	233	271
Net cash provided by (used in) financing activities	4,018	(13,905)
Net increase (decrease) in cash and cash equivalents	4,933	3,556
Cash and cash equivalents at beginning of period	2,543	1,346
Cash and cash equivalents at end of period	$ 7,476	$ 4,902

Refer to Note 17 for supplemental cash flow disclosures.

See accompanying notes to consolidated financial statements.

BENEFICIENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Overview of the Business

Legal Structure

Beneficient, a Nevada corporation, is a technology-enabled financial services holding company (including its subsidiaries, but excluding its noncontrolling interest holders, collectively, "Ben," "our," "the Company," or "we") that provides simple, rapid, cost-effective liquidity solutions and trust products and services to participants in the alternative assets industry through its end-to-end online platform, Ben AltAccess (as defined below). Ben AltAccess is currently not publicly accessible as it is being reengineered to better meet the needs of our Customers.

In 2023, the Company converted from a Delaware limited partnership to a Nevada corporation and changed its corporate name from "The Beneficient Company Group, L.P." ("BCG") to "Beneficient". The Company is the sole and managing member of Beneficient Company Group, L.L.C. ("Ben LLC"). Ben LLC is the general partner of BCH and the holder of 100% of the outstanding Class A Units of Beneficient Company Holdings, L.P. ("BCH"). Beneficient also is sole holder of the outstanding membership interests in ExAlt Holdings, LLC ("ExAlt Holdings").

On June 7, 2023, the Company completed its previously announced de-SPAC merger transaction (the "Business Combination") with Avalon Acquisition Inc. ("Avalon"). On June 8, 2023, Beneficient began trading on the Nasdaq Global Market.

BCH is a Delaware limited partnership. BCH is primarily a holding company that directly or indirectly receives certain active and passive income of the Company and allocates that income among the partnership interests issued by BCH. As of September 30, 2026, BCH has issued and outstanding general partnership Subclass 1 Class A Units ("BCH Class A Units"), Class S Ordinary Units of BCH (the "BCH Class S Ordinary Units"), Class S Preferred Units of BCH (the "BCH Class S Preferred Units"), FLP Unit Accounts (Subclass 1, Subclass 2, and Subclass 3), Preferred Series A Subclass 0 Unit Accounts ("BCH Preferred A-0"), and Preferred Series A Subclass 1 Unit Accounts ("BCH Preferred A-1").

ExAlt Holdings is a Delaware limited liability company, formed on February 24, 2026, whose sole member is Beneficient. Pursuant to that certain Funding Agreement, dated April 7, 2026, ExAlt Holdings may become a creditor to the Company's financing vehicle(s), to be determined on a case by case basis by ExAlt Holdings, by providing funding to the financing vehicle(s) for "loans" made to the ExAlt Plan™. Any of the aforementioned fundings would entitle ExAlt Holdings, as a creditor of the Company's subsidiary financing vehicle, to all cash flow generated by such fundings. ExAlt Holdings has provided funding to the financing vehicles for "loans" made to the ExAlt Plan™ for all new liquidity transactions entered into since the date the Funding Agreement was executed.

Business Overview

Ben markets an array of liquidity solutions and related trustee, custody and trust administration services to participants in the alternative asset industry, with a focus on mid-to-high net worth ("MHNW") individual investors (generally those with a net worth of $5.0 million to $30.0 million), small-to-midsize institutional ("STMI") investors, family offices ("FAMOs") and fund general partners and sponsors ("GPs" and together with MHNW individuals, STMI investors and FAMOs, "Customers"). Ben provides Customers seeking an early exit from their alternative asset investments a suite of bespoke liquidity solutions for their otherwise illiquid alternative asset investments through a proprietary financing and trust structure, which we implement for our Customers (we refer to such trusts collectively as the "Customer ExAlt Trusts"). We also offer alternative asset trust and custody services, and other novel products attendant to owning, managing and lending against alternative assets.

Ben's primary operations, which commenced on September 1, 2017, relate to its liquidity and trust administration products and services. Ben offers or plans to offer its products and services through its operating subsidiaries, which include: (i) Ben AltAccess, L.L.C., a Delaware limited liability company ("Ben AltAccess"), which has historically offered an online platform designed to provide a digital experience for Customers seeking liquidity, custody, trust and data services for their alternative assets, (ii) Ben Liquidity, L.L.C., a Delaware limited liability company, and its subsidiaries (collectively, "Ben Liquidity"), which offers liquidity products, (iii) Ben Custody, L.L.C., a Delaware limited liability company, and its subsidiaries (collectively, "Ben Custody"), which provides services for private fund, trustee, and trust administration, (iv) Ben Data, L.L.C., a Delaware limited liability company ("Ben Data"), which provides data analytics and evaluation services, (v) Ben Markets L.L.C., including its subsidiaries ("Ben Markets"), which provides broker-dealer services and transfer agency services in connection with offering Ben's products and services, and (vi) Ben Insurance, L.L.C., including its subsidiaries ("Ben Insurance Services"), which intends to offer insurance products and services covering risks attendant to owning, managing and transferring alternative assets when, and if, an applicable insurance charter is obtained. Ben serves as

trustee of certain of the Customer ExAlt Trusts, which operate for the benefit of the Charities (defined below) and Economic Growth Zones (defined below).

Ben Liquidity offers simple, rapid and cost-effective liquidity products to its Customers through the use of the Customer ExAlt Trusts, which facilitate the exchange of a Customer's alternative assets for consideration using a proprietary financing and trust structure (such structure and related process, the "ExAlt Plan™"). In ExAlt Plan™ financings, a subsidiary of Ben Liquidity, Beneficient Fiduciary Financial, L.L.C. ("BFF"), a Kansas based trust company that provides fiduciary financing to fidfin trusts, makes fiduciary loans (each, an "ExAlt Loan") to certain of the Customer ExAlt Trusts, which in turn employ a portion of the loan proceeds to acquire and deliver agreed upon consideration to the Customer, in exchange for their alternative assets. BFF is registered as a chartered Kansas Technology Enabled Fiduciary Financial Institution ("TEFFI") under the Technology-Enabled Fiduciary Financial Institution Act (the "TEFFI Act") and regulated by the Kansas Office of the State Bank Commissioner ("OSBC"). Only BFF, our subsidiary, is regulated by the OSBC. The OSBC does not regulate the entirety of Ben. Ben Liquidity generates interest and fee income earned in connection with the ExAlt Loans, which are collateralized by a portion of the cash flows from the exchanged alternative assets, then owned by Customer ExAlt Trusts (the "Collateral"). The ExAlt Loans are eliminated upon consolidation of the Customer ExAlt Trusts solely for financial reporting purposes.

Under the applicable trust and other agreements, certain Texas and Kansas charities are the ultimate beneficiaries of the Customer ExAlt Trusts (which we refer to as "Charities" or "Economic Growth Zones" respectively, and collectively, the "Charitable Beneficiaries"), and their interests are reported as noncontrolling interests in our consolidated financial statements. The TEFFI Act requires that two and a half percent (2.5%) of the cash distributions from alternative assets serving as collateral to Ben Liquidity loans be charitably contributed by certain of the Customer ExAlt Trusts to a designated Kansas Economic Growth Zone. Accordingly, for ExAlt Loans originated on or after December 7, 2021, Economic Growth Zones are paid $0.025 for every $1.00 received by an ExAlt Trust from the corresponding alternative assets. For ExAlt Loans originated prior to December 7, 2021, in accordance with the terms of the applicable trust and other agreements, the Charitable Beneficiaries of the Customer ExAlt Trusts formed prior to such date, are paid $0.05 for every $0.95 paid to the applicable ExAlt Loan lender.

Ben Custody currently provides full-service trust and custody administration services to the trustees (including BFF) of certain of the Customer ExAlt Trusts, which own the exchanged alternative assets following liquidity transactions in exchange for fees payable quarterly.

The Customer ExAlt Trusts' distributions on its alternative assets support the repayment of the ExAlt Loans plus any related interest and fees. Since Ben consolidates the Customer ExAlt Trusts, Ben Liquidity's ExAlt Loans and related interest and fee income and provision for credit losses and Ben Custody's fee income are eliminated in the presentation of our consolidated financial statements solely for financial reporting purposes; however, such amounts directly impact the allocation of income (loss) to Ben's or BCH's equity holders. Likewise, the amounts expensed by the Customer ExAlt Trusts for interest and fees owed to Ben's operating subsidiaries are eliminated in the presentation of our consolidated financial statements, but are recognized for purposes of the allocation of income (loss) to the beneficial owners of the Customer ExAlt Trusts. Refer to Note 3 for additional information.

Ben's existing and planned products and services are designed to be delivered digitally and provide liquidity, trust and custody solutions, data analytics and news, support the tax and estate planning objectives of its Customers, facilitate asset diversification and provide administrative management and reporting solutions tailored to the goals of investors of alternative investments. Ben's financial products and services are presently offered primarily through Ben Liquidity and Ben Custody and Ben has recently began to expand its capabilities under Ben Custody. Ben Markets, through one of its subsidiaries, Beneficient Transfer & Clearing Company, L.L.C., received regulatory approval from the SEC on June 24, 2022 to operate as a registered transfer agent with respect to its securities, and provides various services for Customers transacting with Ben, including the Customer ExAlt Trusts.

As discussed further in Note 3, certain of our operating subsidiary products and services involve or are offered to certain of the Customer ExAlt Trusts, which are consolidated subsidiaries of Ben solely for financial reporting purposes, and therefore transactions between our operating subsidiaries and the Customer ExAlt Trusts are eliminated in the presentation of our consolidated financial statements.

Liquidity and Going Concern

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of September 30, 2026, we had unrestricted cash and cash equivalents of $7.5 million. Besides the unrestricted cash and cash equivalents, the Company's principal sources of liquidity available to meet its contractual obligations are proceeds on ExAlt Loan payments and fee income derived from

distributions, including sales proceeds from dispositions, on investments held by the Customer ExAlt Trusts and potential access to capital under the Amended and Restated Standby Equity Purchase Agreement (the "A&R SEPA") with YA II PN, Ltd. ("Yorkville"), however, our ability to access the cash distributions from the Customer ExAlt Trusts' alternative asset portfolio is limited by the terms of the ExAlt Loans from Ben Liquidity to the Customer ExAlt Trusts and our ability to access proceeds from the A&R SEPA is subject to market conditions, such as trading volume, price of our Class A common stock and other factors beyond our control. Our ability to access cash distributions received by certain of the Customer ExAlt Trusts is also currently limited by the order agreed to in the Delaware Court of Chancery as further described in Note 16 under "*HCLP Actions*". We have historically generated net losses and, in aggregate, these net losses have resulted in an accumulated deficit of $2.1 billion as of September 30, 2026. As of October 31, 2026, we had unrestricted cash and cash equivalents of approximately $5.4 million.

Our contractual obligations over the next 12 months include scheduled maturities primarily of outstanding related party borrowings of approximately $96.7 million as of September 30, 2026 (as previously reported, the HH-BDH Credit Agreement (as defined herein) borrowings were repaid in January 2026, though approximately $1.0 million of interest remained outstanding as of September 30, 2026) and the legal judgment discussed below. As discussed in Note 7, on July 30, 2025, we were notified of events of default under the loan agreements with HCLP (together, the "HCLP Loan Agreement"). The HCLP Loan purportedly matured on April 14, 2025, at which time the related party debt and accrued interest became due and payable immediately (approximately $94.3 million (including an unamortized premium thereon) of debt outstanding and unpaid interest of $35.0 million as of September 30, 2026). The Company is evaluating the validity of its obligations under the HCLP Loan Agreement and the liens securing the HCLP Loan in light of credible evidence that Mr. Heppner, our former CEO, participated in fabricating and delivering fake documents to the Company regarding his and others' relationships to HCLP, among other items. On May 7, 2026, Mr. Heppner was convicted of securities fraud, wire fraud, conspiracy to commit securities fraud and wire fraud, and false statements to auditors. Our obligations including principal, accrued interest and fees under these related party debt instruments as of September 30, 2026 were approximately $130 million. As discussed in Note 16, on October 10, 2025, the Texas Fifth Court of Appeals reversed the judgment of the Texas District Court and confirmed a previous equity arbitration award that amounted to $62.8 million in compensatory damages. Interest continues to accrue each quarter at 10.5% until settled. With post-judgment interest, the amount of the Arbitration Award (as defined herein) is approximately $71.5 million as of September 30, 2026. Finally, as of September 30, 2026, we owe approximately $1.3 million on promissory notes issued pursuant to the A&R SEPA with a final maturity date of June 30, 2027.

All of these conditions raise substantial doubt about the Company's ability to continue as a going concern within one year after the date of issuance.

We expect the Company will require additional capital to satisfy our obligations and fund our operations for the next twelve months, which will likely be achieved through the issuance of additional debt or equity, including through the A&R SEPA, and the monetization of certain of the investments held by the Customer ExAlt Trusts. We continue to evaluate our available options with respect to the arbitration award, which may include working with the Claimant (as defined herein) on settlement terms that could reduce the potential near term cash obligations associated with the arbitration. There can be no assurance that we will be able to reach a settlement on terms that are favorable to us or at all. Also, we intend to potentially seek additional financings with either our current lenders or other lenders, and continue to seek opportunities to reduce corporate overhead; however, we cannot conclude these are probable of being implemented or, if probable of being implemented, being in sufficient enough amounts to satisfy our contractual amounts as they presently exist that are coming due over the next 12 months as of the date of the filing of these financial statements with the SEC.

On June 27, 2023, we entered into that certain Standby Equity Purchase Agreement (the "2023 SEPA"), whereby we had the right, but not the obligation, to sell to Yorkville up to $250.0 million of shares of the Company's common stock. On June 26, 2026, the Company entered into the A&R SEPA to (i) reduce the commitment size of the 2023 SEPA to $100.0 million and extend its maturity on the terms and conditions set forth therein and (ii) provide that Yorkville advance to the Company the principal amount of $4.0 million evidenced by promissory notes. Yorkville advanced the $4.0 million in funding during July and August 2026 and approximately $1.3 million of principal remains outstanding as of September 30, 2026. The promissory notes issued to Yorkville mature on June 30, 2027.

As of September 30, 2026, approximately $100.0 million worth of shares of Class A common stock remains available under the terms of the A&R SEPA. On August 5, 2026, a registration statement registering up to 32,467,532 Class A common stock pursuant to the A&R SEPA was declared effective by the SEC. However, the decision regarding future sale of shares, including those under the A&R SEPA, is subject to market conditions, such as trading volume, price of our Class A common stock and other factors beyond our control. For the six months ended September 30, 2026 and 2025, proceeds of approximately $0.2 million and $0.3 million were received by the Company from 2023 SEPA sales. The issuance of additional shares of Class A common stock under the A&R SEPA will dilute the percentage ownership interest of all stockholders, could dilute the book value per share of the Class A common stock and will increase the number of the Company's outstanding shares, which could cause the market price of our Class A common stock to decrease.

As more fully described in Note 7, on October 19, 2023, we entered into a three-year $25.0 million term loan pursuant to a credit agreement with HH-BDH LLC ("HH-BDH" and such agreement, the "HH-BDH Credit Agreement"). The original $25.0 million of principal plus an additional principal of approximately $2.6 million subsequently borrowed was repaid in January 2026. On March 10, 2026, we entered into that certain Letter Agreement (the "2026 Letter Agreement") with HH-BDH, pursuant to which the HH-BDH Credit Agreement was amended to provide for the payment of the remaining $1.7 million in interest and fees outstanding under the HH-BDH Credit Agreement. For the payment of the outstanding interest and fees, (i) we issued HH-BDH 149,904 shares of the Company's Class A common stock having an aggregate value of $572,588 based on the five-day volume-weighted average price per share of the Class A common stock on March 10, 2026, and (ii) Beneficient Financing, L.L.C. (the "Borrower") agreed to pay HH-BDH an amount in cash equal to $1,000,000 not later than five business days following September 30, 2026. Additionally, for the payment of outstanding expenses, the Borrower agreed to pay HH-BDH an amount in cash equal to $94,365 in April 2026. Effective October 7, 2026, we entered into an amendment to the 2026 Letter Agreement to extend the deadline for the $1.0 million cash payment to HH-BDH until March 31, 2027.

The HH-BDH Credit Agreement contains certain financial maintenance covenants, including a debt service coverage ratio. The Company has at times in late fiscal year 2025 and in subsequent periods been in default on certain of the required payment obligations, financial covenants, and information reporting requirements of the HH-BDH Credit Agreement. The events of default under the HCLP Loan Agreement described above triggered a cross default provision in the HH-BDH Credit Agreement. The Company timely notified HH-BDH of the cross default. HH-BDH has not notified the Company that it intends to declare an event of default as it relates to the cross default provision of the HH-BDH Credit Agreement or other events.

On August 6, 2024, the Company entered into a securities purchase agreement with Yorkville, pursuant to which the Company issued convertible debentures in an aggregate principal amount of $4.0 million and warrants to purchase up to 165,674 shares of the Company's Class A common stock at an exercise price of $21.04. The convertible debentures were repaid in full in February 2025. The warrants issued to Yorkville remain outstanding; however, given the trading price per share of our Class A common stock is significantly below the exercise price of these warrants, we have not assumed or relied on the receipt of proceeds from the exercise of these warrants.

Additionally, as the settlement provision related to the derivative asset related to the Limited Conversion (defined herein) that is recorded in our September 30, 2026 and March 31, 2026 statements of financial position involves the forfeiture of existing outstanding Class A common stock and not cash proceeds, the value of the derivative asset does not impact our considerations related to our capital requirements and sources of liquidity.

Ben may not be able to refinance our indebtedness or obtain additional financing on terms favorable to the Company, or at all. To the extent that Ben or its subsidiaries raise additional capital through the future sale of equity or debt, the ownership interest of our existing equity holders may be diluted. The terms of these future equity or debt securities may include liquidation or other preferences that adversely affect the rights of our existing equity unitholders or involve negative covenants that restrict Ben's ability to take specific actions, such as incurring additional debt or making additional investments in growing the operations of the Company. If Ben defaults on these borrowings, then the Company will be required to either (i) sell participation or other interests in our loans or other of our assets, or (ii) to raise additional capital through the sale of equity and the ownership interest of our equity holders may be diluted.

We will utilize our cash flows toward our contractual obligations, to invest in our business, including new product initiatives and growth strategies, including any potential acquisitions, and, if determined by our Board, to pay dividends to our equity holders, including guaranteed payments on certain of BCH's preferred equity securities, and to fund tax distributions for certain noncontrolling interest holders. Our ability to fund these capital needs will depend on our ongoing ability to generate cash from operations and via the capital markets.

While we have concluded that there is substantial doubt about our ability to continue as a going concern, our financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The accompanying consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty related to the Company's ability to continue as a going concern.

Reverse Stock Split

In December 2025, the Company's stockholders approved a reverse stock split of its common stock at a range of ratios between 1-for-5 to 1-for-100, and the Company's Board approved a reverse stock split at a ratio of 1-for-8 and a simultaneous proportionate reduction in the authorized shares of each class of common stock as required by NRS Section 78.207. The 2025 Reverse Stock Split was effective as of December 15, 2025, and on January 2, 2026, the Company was

notified by Nasdaq that it had regained compliance with the bid price requirement.

As of the effective time of the 2025 Reverse Stock Split, every 8 issued and outstanding shares of the Company's common stock was automatically reclassified into one issued and outstanding share of the Company's common stock, with no change in the par value per share. No fractional shares of common stock were issued in connection with the 2025 Reverse Stock Split and all fractional shares were rounded up to the nearest whole share with respect to outstanding shares of common stock.

For the 2025 Reverse Stock Split, proportional adjustments were made to the number of shares of common stock issuable upon exercise or conversion of the Company's equity award, warrants, and other equity instruments convertible into common stock, as well as the applicable exercise price. All share and per share amounts of the Company's common stock presented in this Quarterly Report on Form 10-Q have been retroactively adjusted to reflect the 2025 Reverse Stock Split, as applicable, including reclassifying an amount equal to the reduction in par value of common stock to additional paid-in capital.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of Ben are prepared in conformity with U.S. GAAP on a going concern basis, and include the accounts of Ben, its wholly-owned and majority-owned subsidiaries and, certain variable interest entities ("VIEs"), in which the Company is the primary beneficiary. An enterprise is determined to be the primary beneficiary of a VIE if it holds a controlling financial interest consistent with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, *Consolidation* ("ASC 810"), as amended.

The Customer ExAlt Trusts are considered VIEs for which Ben has a variable interest and is considered the primary beneficiary. Thus, Ben is required to consolidate all of the Customer ExAlt Trusts. The entities in which the Customer ExAlt Trusts hold an ownership interest are investment companies (i.e., funds) under ASC 946, *Financial Services — Investment Companies* ("ASC 946"). Thus, the investments in non-investment companies made by these funds are accounted for in accordance with ASC 946 and are not subject to consolidation or the disclosure requirements of ASC 810. Moreover, further consolidation provisions of ASC 946 are not applicable to Ben since these investment companies do not have an investment in an operating entity that provides services to the investment company or to Ben.

All intercompany accounts and transactions have been eliminated in consolidation, and the portion of income allocated to owners other than the Company is included in "net income (loss) attributable to noncontrolling interests" in the consolidated statements of comprehensive income (loss). With the consolidation of the Customer ExAlt Trusts, interest and fee income and any related receivable charged by Ben Liquidity and Ben Custody to the Customer ExAlt Trusts are eliminated in the presentation of our consolidated financial statements. While these amounts are eliminated solely for financial reporting purposes, such amounts are earned by Ben Liquidity and/or Ben Custody from the Customer ExAlt Trusts and directly impact the income (loss) allocable to Ben's and BCH's equity holders as further discussed in Note 3.

The accompanying unaudited interim consolidated financial statements of the Company do not contain the detail or footnote disclosure concerning accounting policies and other matters that would be included in full fiscal year consolidated financial statements; therefore, they should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Annual Report. In the opinion of management, all material adjustments, consisting of normal and recurring adjustments, have been made that were considered necessary to present fairly the financial condition, results of operations and cash flows at the interim date and for the interim periods presented. Operating results for the interim periods disclosed herein are not necessarily indicative of results that may be expected for a full year.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates and assumptions are based on information available as of the date of the consolidated financial statements and could differ from actual results. Material estimates that are particularly susceptible to change in the near term relate to the fair value determination of investments in alternative assets held by the Customer ExAlt Trusts, determination of the allowance for credit losses as an input to the allocation of income (loss) to Ben's or BCH's equity holders, evaluation of potential loss contingencies principally related to ongoing legal matters, and evaluation of potential impairment of goodwill and other intangibles.

Significant accounting policies are detailed in Note 2 to the consolidated financial statements included in the Company's Annual Report. Other than described below, there are no new or revised significant accounting policies as of September 30, 2026.

Accounting Standards Recently Adopted

We adopted Accounting Standards Update ("ASU") 2023-09, *Income Taxes*, (Topic 740) prospectively for the annual period beginning April 1, 2025 and interim periods beginning on April 1, 2026. The update expands income tax disclosure requirements to include additional information related to the rate reconciliation of our effective tax rates to statutory rates as well as additional disaggregation of taxes paid. The amendments in ASU 2023-09 also remove disclosures related to certain unrecognized tax benefits and deferred taxes. The adoption of this new guidance did not result in a material impact to the Company's consolidated financial statements.

Accounting Standards Not Yet Adopted

ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 requires public companies to disclose, in the notes to the financial statements, specific information about certain costs and expenses at each interim and annual reporting period. This includes disclosing amounts related to employee compensation, depreciation, and intangible asset amortization. In addition, public companies will need to provide qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. ASU 2024-03 is effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027, as clarified in ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40): Clarifying the Effective Date. Implementation of ASU 2024-03 may be applied prospectively or retrospectively. The Company is assessing the impact that the adoption of ASU 2024-03 will have on its consolidated financial statements.

3. Understanding our Financial Statements and the Impact to the Common Shareholder

Ben's current products and services, which are offered by the Ben Liquidity and Ben Custody business segments, involve or are principally offered to certain of the Customer ExAlt Trusts, which are consolidated VIEs solely for financial reporting purposes, and are not owned directly or indirectly by Ben or BCH equity holders. Transactions involving products and services between Ben's operating subsidiaries and the Customer ExAlt Trusts are eliminated in the presentation of our consolidated financial statements. Thus, the consolidated financial statements reflect the (i) assets, liabilities, revenues, expenses, investment income and cash flows of Ben, including the Customer ExAlt Trusts, which hold the collateral for the ExAlt Loans, on a gross basis, and (ii) a portion of the economic interests of certain of the Customer ExAlt Trusts held by the residual beneficiaries that are attributed to noncontrolling interests in the accompanying consolidated financial statements.

As a result, Ben's primary tangible assets reflected on its consolidated statements of financial condition are investments, mainly comprised of alternative assets held by the Customer ExAlt Trusts and the primary sources of revenue reflected on our consolidated statements of comprehensive income (loss) are investment income (loss), net, which represents changes in the net asset value ("NAV") of these investments held by the Customer ExAlt Trusts, and gain (loss) on financial instruments, net, which represents changes in fair value of equity securities, a derivative asset, and warrants liability. Such investment income (loss), net, and gain (loss) on financial instruments that are held by the Customer ExAlt Trusts is included in the net income (loss) allocated to noncontrolling interests – Customer ExAlt Trusts in the consolidated statement of comprehensive income (loss). The revenues and expenses recognized in these line items for the activities of the Customer ExAlt Trusts do not directly impact net income (loss) attributable to Ben's or BCH's equity holders.

Instead, the interest and fee income earned by Ben Liquidity and Ben Custody from the Customer ExAlt Trusts, which are eliminated in the presentation of our consolidated financial statements, directly impact the net income (loss) attributable to Ben's and BCH's equity holders. Our Ben Liquidity and Ben Custody business segments, which relate to our current operating subsidiaries, are owned by the Company's equity holders (including those of BCH), and recognize revenue through (i) interest income on ExAlt Loans made to the Customer ExAlt Trusts in connection with our liquidity transactions for Customers with contractual interest rates between 5.0% and 14.0% per annum charged against the outstanding principal balance of the ExAlt Loan, (ii) fee income billed at closing, but recognized as revenue ratably over the expected life of the alternative asset, for each liquidity transaction with Customers for services including access to and use of the AltAccess Platform, transfer of the alternative assets, and delivery of the consideration to the client, with fee rates between 1.0% and 7.0% of the sum of the NAV and remaining unfunded commitment of the transacted alternative asset, and (iii) recurring fee income recognized each period for providing services including trustee, custody, and trust administration of the Customer ExAlt Trusts while they hold investments, with fee rates generally at 2.8% per annum of the sum of the NAV and remaining unfunded commitment of the alternative assets held. Ben Liquidity and Ben Custody revenue recognized for the three and six months ended September 30, 2026 and 2025 is as follows:

a. Ben Liquidity recognized $8.7 million and $8.5 million in interest income during the three months ended September 30, 2026 and 2025, respectively. For the six months ended September 30, 2026 and 2025, Ben Liquidity recognized interest income of $16.9 million and $17.3 million, respectively.

b. Ben Custody recognized $2.7 million and $3.1 million in trust services and administration revenues during the three months ended September 30, 2026 and 2025, respectively, comprised of both the fee income billed at the closing of the transactions that is being amortized into revenue and the recurring fee income billed during the periods. For the six months ended September 30, 2026 and 2025, Ben Custody recognized trust services and administration revenues of $5.2 million and $7.3 million, respectively.

In addition, the Corporate/Other segment, which also relates to Ben or subsidiaries owned by the holders of equity in the Company (including BCH), may include fee revenue recognized through services provided to Customers or the Customer ExAlt Trusts through business lines not included within Ben Liquidity and Ben Custody.

Additionally, Ben Liquidity's provision for credit losses is eliminated in the presentation of our consolidated financial statements but directly impacts the net income (loss) attributable to the various equity securities of Ben and BCH. Likewise, the amounts expensed by the Customer ExAlt Trusts for interest and fees owed to Ben's operating subsidiaries are eliminated in the presentation of our consolidated financial statements but are recognized for purposes of the allocation of net income (loss) attributable to the beneficial owners of the Customer ExAlt Trusts.

As a result of the above along with the existing equity capital structure described in Note 9 for Beneficient and BCH, the net income (loss) of the Company can vary significantly from the net income (loss) attributable to the Beneficient common shareholders. The following table presents a reconciliation of operating income (loss) of our reportable segments, excluding the Customer ExAlt Trusts, to net income (loss) attributable to Beneficient's common shareholders. This reconciliation serves to provide users of our financial statements an understanding and visual aid of the reportable segments that impact net income (loss) attributable to the common shareholders and reiterates that the consolidation of the Customer ExAlt Trusts has no impact on the net income (loss) attributable to Beneficient's common shareholders.

(in thousands)	**Three Months Ended September 30,**		**Six Months Ended September 30,**	
	2026	**2025**	**2026**	**2025**
Operating income (loss)*				
Ben Liquidity	$ (17,299)	$ (821)	$ (9,945)	$ (6,838)
Ben Custody	198	2,292	1,548	5,420
Corporate & Other	(22,130)	(9,555)	(32,730)	(83,102)
Income tax expense (allocable to Ben and BCH equity holders)	(22)	(43)	(22)	(43)
Net loss attributable to noncontrolling interests - Ben	22,179	9,191	22,200	25,175
Noncontrolling interest guaranteed payment	(4,982)	(4,693)	(9,890)	(9,317)
Net income (loss) attributable to common shareholders	$ (22,056)	$ (3,629)	$ (28,839)	$ (68,705)

*Includes amounts eliminated in consolidation.

Significant Accounting Policies - Impacting Allocation of Net Income (Loss) to Beneficient's Equity Holders

As described above, certain income and expenses involving transactions between Ben and the Customer ExAlt Trusts are eliminated for financial reporting purposes; however, the income or expenses are important to determine the net income (loss) allocable to Ben's and BCH's equity holders. Accounting policies related to the significant income and expense items eliminated in our consolidated financial statements but impacting the allocation of net income (loss) to Beneficient's equity holders, are detailed in Note 3 to the consolidated financial statements included in the Company's 2026 Annual Report. There are no new or revised significant accounting policies related to the significant income and expense items eliminated in our consolidated financial statements as of September 30, 2026 impacting allocation of net income (loss) to Beneficient's and BCH's equity holders.

4. Investments, at Fair Value

Investments held by the Customer ExAlt Trusts are comprised of investments in alternative assets, public equity securities, debt securities, and other equity securities and interests (including those of a former related party). The composition of investments recorded at fair value held by the Customer ExAlt Trusts is included in the table below (in thousands):

	September 30, 2026	March 31, 2026
Alternative assets	$ 167,588	$ 162,824
Public equity securities	4,447	4,472
Debt securities available-for-sale	2,152	1,739
Other equity securities and interests	26,862	26,501
Total investments, at fair value	$ 201,049	$ 195,536

Investments in Alternative Assets held by the Customer ExAlt Trusts

The investments in alternative assets are held, either through direct ownership or through beneficial interests, by certain of the Customer ExAlt Trusts and consist primarily of limited partnership interests in various alternative investments, including private equity funds. These alternative investments are valued using NAV as a practical expedient. Changes in the NAV of these investments are recorded in investment income (loss), net in our consolidated statements of comprehensive income (loss). The investments in alternative assets provide the economic value that ultimately collateralizes the ExAlt Loans that Ben Liquidity originates with the Customer ExAlt Trusts in liquidity transactions and any associated fees due from the Customer ExAlt Trusts. The increase in investments in alternative assets since March 31, 2026 of $4.8 million was principally related to change in fair value of NAV as reported by the investment managers or general partners or other fair value adjustments totaling $2.0 million and new origination activity totaling $16.3 million, offset by asset sales and net distributions of $13.6 million.

The NAV calculation reflects the most current report of NAV and other data received from firm/fund sponsors. If no such report has been received, Ben estimates NAV based upon the last NAV calculation reported by the investment manager and adjusts it for capital calls and distributions made in the intervening time frame. Ben also considers whether adjustments to the NAV are necessary, in certain circumstances, in which management is aware of specific material events, changes in market conditions, and other relevant factors that have affected the value of an investment during the period between the date of the most recent NAV calculation reported by the investment manager or sponsor and the measurement date. Public equity securities known to be owned within an alternative investment fund, based on the most recent information reported by the general partners, are marked to fair value using quoted market prices on the balance sheet reporting date.

When the sale of an investment in an alternative asset is deemed probable at an amount that differs from NAV, the investment in the alternative asset is recorded at its estimated fair value under FASB ASC 820, *Fair Value Measurement*.

The underlying interests in alternative assets are primarily limited partnership interests. The transfer of the investments in private equity funds generally requires the consent of the corresponding private equity fund manager, and the transfer of certain fund investments is subject to rights of first refusal or other preemptive rights, potentially further limiting the ExAlt Plan™ from transferring an investment in a private equity fund. The investments are not subject to redemption with the funds. Distributions from funds are received as the underlying investments are liquidated. Timing of liquidation is currently unknown.

Portfolio Information

Our portfolio of alternative asset investments, held by certain of the Customer ExAlt Trusts by asset class of each fund as of September 30, 2026 and March 31, 2026, is summarized below (in thousands):

	Alternative Investments Portfolio Summary			
	September 30, 2026		March 31, 2026	
Asset Class	Carrying Value	Unfunded Commitments	Carrying Value	Unfunded Commitments
Private Equity	$ 83,276	$ 17,820	$ 80,685	$ 25,975
Venture Capital	59,090	527	60,021	1,183
Private Real Estate	4,800	1,115	6,300	1,650
Hedge Funds	2,369	—	3,332	—
Natural Resources	130	153	6,111	1,250
Other[1]	17,923	208	6,375	376
Total	$ 167,588	$ 19,823	$ 162,824	$ 30,434

[1] "Other" includes earnouts, escrow, net other assets (liabilities), and private debt strategies.

As of September 30, 2026, the Customer ExAlt Trusts collectively had exposure to 110 professionally managed alternative asset investment funds, comprised of 274 underlying investments, 91 percent of which are investments in private companies.

Public Equity Securities

Investment in public equity securities primarily represents ownership by certain of the Customer ExAlt Trusts in public companies. These investments are carried at fair value, which is determined using quoted market prices. Any realized gains and losses are recorded on a trade-date basis. Realized and unrealized gains and losses are recognized in gain (loss) on financial instruments, net in the consolidated statements of comprehensive income (loss). As of September 30, 2026 and March 31, 2026, the fair value of investments in public equity securities was $4.4 million and $4.5 million, respectively. Refer to Note 5 for a reconciliation of the gain (loss) on financial instruments, net for each of the periods presented herein.

Debt Securities Available-for-Sale

As of September 30, 2026 and March 31, 2026, investments in debt securities represent ownership in privately held debt securities. Investments in debt securities are classified and accounted for as available-for-sale, with unrealized gains and losses presented as a separate component of equity under the accumulated other comprehensive income (loss) line item.

The amortized cost, estimated fair value, and unrealized gains and losses on investments in debt securities classified as available-for-sale as of September 30, 2026 and March 31, 2026 are summarized as follows:

	September 30, 2026			
(Dollars in thousands)	Amortized Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Other debt securities	$ 1,538	$ 614	$ —	$ 2,152
Total available-for-sale debt securities	$ 1,538	$ 614	$ —	$ 2,152

	March 31, 2026			
(Dollars in thousands)	Amortized Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Other debt securities	$ 1,687	$ 52	$ —	$ 1,739
Total available-for-sale debt securities	$ 1,687	$ 52	$ —	$ 1,739

The noncredit-related portion of the net unrealized gains was $0.1 million for both the three months ended September 30, 2026 and 2025, respectively, and recognized as a component of accumulated other comprehensive income (loss). The noncredit-related portion of the net unrealized gains was $0.6 million and $0.1 million, respectively, was recognized as a component of accumulated other comprehensive income (loss). During both the three and six months ended September 30, 2026 and 2025, the Company determined there was no credit-related loss on its investment in debt securities available-for-sale.

During both the three and six months ended September 30, 2026 and 2025, there were no credit related losses in earnings.

The contractual maturities of available-for-sale debt securities as of September 30, 2026 and March 31, 2026 are as follows:

	September 30, 2026		March 31, 2026	
(Dollars in thousands)	Amortized Cost Basis	Fair Value	Amortized Cost Basis	Fair Value
Due in one year or less	$ 1,538	$ 2,152	$ 1,687	$ 1,739
No fixed maturity	—	—	—	—
	$ 1,538	$ 2,152	$ 1,687	$ 1,739

Other Equity Securities and Interests

Ben and certain of the Customer ExAlt Trusts hold investments in equity securities of private companies measured based on quoted prices for similar assets in active markets, including those of the GWG Wind Down Trust (as defined herein). On August 1, 2023, GWG Holdings' plan of reorganization was declared effective and our investments in its common stock and L Bonds (previously accounted for as public equity securities and available-for-sale debt securities, respectively) were then transferred to an investment in the GWG Holdings Wind Down Trust created as part of the approved plan of reorganization. The fair value of these equity interests was nominal as of both September 30, 2026 and March 31, 2026, however, distributions were received by certain of the Customer ExAlt Trusts during the current period resulting in a recognized gain. Refer to Note 5 for a reconciliation of the gain (loss) on financial instruments, net for each of the periods presented herein.

Additionally, certain of the Customer ExAlt Trusts hold investments in equity securities that do not have a readily determinable fair value. These equity securities are measured, using the measurement alternative for equity investments that do not have readily determinable fair values, at cost, less impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. When observable price adjustments are identified, the inputs used are generally Level 2 inputs within the fair value hierarchy. The value of these equity securities was $26.9 million and $26.5 million as of September 30, 2026 and March 31, 2026, respectively. Refer to Note 5 for a reconciliation of the gain (loss) on financial instruments, net for each of the periods presented herein, which reflects any changes in fair value to these equity securities for the periods presented herein. There were no impairments to these equity securities during the three and six months ended September 30, 2026 and 2025. Additionally, through September 30, 2026, one security has cumulative upward adjustments of $10.8 million based upon observable price changes, which was based on a then recent equity offering and stock to stock transactions. The cumulative upward adjustments occurred in fiscal year 2023. No significant adjustments were made during the three and six months ended September 30, 2026 and 2025.

5. Fair Value Measurements

Fair value is estimated based on a hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that reflect the assumptions that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy prioritizes the inputs to valuation techniques into three broad levels whereby the highest priority is given to Level 1 inputs and the lowest to Level 3 inputs.

- Level 1 - Quoted prices for identical instruments in active markets that the reporting entity has the ability to access as of the measurement date.
- Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable market data.
- Level 3 - Valuations for instruments with inputs that are significant and unobservable, are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and are not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such instruments.

This hierarchy requires the use of observable market data when available. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Investments that are valued using NAV as a practical expedient are excluded from this hierarchy.

As of September 30, 2026 and March 31, 2026, the fair value of these investments using the NAV per share practical expedient was $167.6 million and $162.8 million, respectively. During the three months ended September 30, 2026 and 2025,

a loss of $13.8 million and a loss of $3.2 million, respectively, was recognized from changes in NAV, which are recorded within the investment income (loss), net line item of our consolidated statements of comprehensive income (loss). During the six months ended September 30, 2026 and 2025, a $2.0 million gain and $15.9 million loss, respectively, was recognized from changes in NAV, which is recorded within the investment income (loss) net, line item of our consolidated statements of comprehensive income (loss).

Financial instruments on a recurring basis

The Company's financial assets and liabilities carried at fair value on a recurring basis, including the level in the fair value hierarchy, on September 30, 2026 and March 31, 2026 are presented below.

	As of September 30, 2026			
(Dollars in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Public equity securities	$ 4,447	$ —	$ —	$ 4,447
Debt securities available-for-sale, other	—	—	2,152	2,152
Derivative asset	—	—	3,976	3,976
Liabilities:				
Convertible debt	—	—	1,357	1,357
Warrants liability	269	4	—	273

	As of March 31, 2026			
(Dollars in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Public equity securities	$ 4,472	$ —	$ —	$ 4,472
Debt securities available-for-sale, other	—	—	1,739	1,739
Derivative asset	—	—	21,652	21,652
Liabilities:				
Warrants liability	264	44	—	308

A reconciliation of gain (loss) on financial instruments, net for each of the periods presented herein is included in the tables below (in thousands):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Public equity securities:				
Other public equity securities	$ (7)	$ 384	$ (26)	$ 310
Convertible debt	(676)	—	(676)	—
Warrants liability	22	(169)	35	(139)
Derivative asset	(13,915)	—	(17,675)	—
Other equity interest:				
Related party, other equity interest	3,029	(4)	3,029	(5)
Gain (loss) on financial instruments, net	$ (11,547)	$ 211	$ (15,313)	$ 166

The following is a description of the valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Investment in other equity securities and interests

As of September 30, 2026 and March 31, 2026, the fair value of these equity interests are valued using quoted prices for similar instruments observed in the equity capital markets and is classified as a Level 2 investment in the fair value hierarchy.

Investment in debt securities available-for-sale

Other debt securities. The fair value of these debt securities are valued using the market approach adjusted for the recoverability of the security. The following table provides quantitative information about the significant unobservable inputs used in the fair value measure of the Level 3 other debt securities (dollars in thousands):

	Fair Value	Valuation Methodology	Unobservable Inputs	Range	Weighted Average
September 30, 2026	$ 2,152	Market Approach	Enterprise value-to-revenue multiple	0.2x - 18.9x	1.75x
March 31, 2026	$ 1,739	Market Approach	Enterprise value-to-revenue multiple	0.2x - 18.9x	1.75x

The following table reconciles the beginning and ending fair value of our Level 3 other debt securities:

(Dollars in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Beginning balance	$ 2,046	$ 1,687	$ 1,739	$ 1,687
Settlements	(1)	—	(149)	—
Gains (losses) recognized in accumulated other comprehensive income (loss)[1]	107	90	562	90
Ending balance	$ 2,152	$ 1,777	$ 2,152	$ 1,777

[1] Recorded in unrealized gain (loss) on available-for-sale debt securities.

Convertible Debt

The Company issued convertible debentures to Yorkville as discussed in Note 6 whereby the Company elected to account for the convertible debentures under the fair value option of accounting. The Company estimated the fair value of the convertible debentures based on assumptions used in the Monte Carlo simulation model, which was considered a Level 3 fair value measure. This fair value measure is classified as Level 3 and using the following significant inputs as of the end of the reporting period: expected term (in years) - 0.75; stock price - $1.36; discount rate - 14.2%; expected volatility: 247.2%; expected dividend rate - —%; and risk-free rate: 4.1%.

The following is a summary of the change in the fair value of the convertible debentures for the three and six months ended September 30, 2026 and 2025:

(Dollars in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Beginning fair value	$ —	$ —	$ —	$ —
Additions during the period	4,723	—	4,723	—
Principal conversion to common stock	(2,693)	—	(2,693)	—
Additions for interest	35	—	35	—
Interest conversion to common stock	(32)	—	(32)	—
Change in fair value during the period	(676)	—	(676)	—
Ending fair value	$ 1,357	$ —	$ 1,357	$ —

The fair value of each issuance of the convertible debentures exceeded the proceeds. As such, a loss on each issuance of the convertible debentures was recognized. Refer to Note 6 for further information.

Warrants liability

Yorkville Warrants

Pursuant to the terms of a 2024 purchase agreement, the Company issued warrants to Yorkville (each a “Yorkville Warrant” and collectively, the “Yorkville Warrants”) to purchase up to 165,674 shares of Class A common stock at an exercise price of $21.04, which are exercisable into Class A common stock for cash. One-half of the Yorkville Warrants expires on August 7, 2027 and the other one-half on November 15, 2027. The Yorkville Warrants are required to be classified as a liability classified and subject to periodic remeasurement. The fair value of the Yorkville Warrants are measured using the Black-Scholes option pricing model. The key inputs used in the valuation as of September 30, 2026 were: expected terms (in years) - 0.85 to 1.12; stock price - $1.36; exercise price - $21.04; expected volatility - 116.25%; expected dividend rate - 0.0%; and

risk-free rate - 4.45%-4.60%. The key inputs used in the valuation as of March 31, 2026 were: expected terms (in years) - 1.35 to 1.62; stock price - $3.50; exercise price - $21.04; expected volatility - 95.59%; expected dividend rate - 0.0%; and risk-free rate - 3.67%.

As of both September 30, 2026 and March 31, 2026, all of the Yorkville Warrants were still outstanding with a nominal fair value, which is included in the warrants liability line item on the consolidated statements of financial condition. During both the three and six months ended September 30, 2026 and 2025, nominal amounts were recognized in gain (loss) on financial instruments, net in the consolidated statements of comprehensive income (loss) related to the change in fair value.

Avalon Common Stock Warrants

As part of the Business Combination completed on June 7, 2023 with Avalon, the Company assumed 15,525,000 publicly-traded Avalon Warrants ("Avalon Public Warrants"), which are exercisable for 24,258 shares of Class A common stock, as adjusted for stock splits, and 8,100,000 private placement Avalon Warrants, which are exercisable for 12,657 shares of Class A common stock, as adjusted for stock splits, ("Avalon Private Warrants" and together with the Avalon Public Warrants, the "Avalon Warrants"), which were originally issued by Avalon in connection with its initial public offering. The Avalon Private Warrants are generally identical to the Avalon Public Warrants, except as described below.

The Avalon Warrants entitle the holder to exercise each whole warrant for one share of Class A common stock and one share of Series A preferred stock at an exercise price of $7,360 and generally expire on June 7, 2028. The Avalon Public Warrants may be redeemed by Ben under certain circumstances. The Avalon Private Warrants, which are transferable, assignable, and salable, cannot be redeemed by Ben so long as they are held by Avalon Acquisition Holdings, LLC (the "Avalon Sponsor") or its permitted transferees. The Avalon Sponsor, or its permitted transferees, also have the option to exercise the Avalon Private Warrants on a cashless basis and have certain registration rights.

As part of liquidity transactions with our customers, which closed in connection with the Business Combination, a total of 1,074,725 additional warrants were issued to two counterparties as part of their consideration for their interest in alternative assets.

As of September 30, 2026 and March 31, 2026, there were 24,699,725 Warrants outstanding with a fair value of approximately $0.3 million and $0.3 million, respectively, included in the warrants liability line item on the consolidated statements of financial condition. During the three and six months ended September 30, 2026 and 2025, a nominal amount of gain (loss) was recognized in each period in gain (loss) on financial instruments, net in the consolidated statements of comprehensive income (loss).

Derivative Asset

As part of the Limited Conversion discussed in Note 9, the appreciation forfeiture provision was identified as an embedded derivative that does not qualify for equity classification under ASC 815-40, *Derivatives and Hedging - Contracts in Entity's Own Equity,* due to the variable number of shares subject to settlement. The embedded derivative was bifurcated and recorded as a derivative asset at fair value on the conversion date, with subsequent changes in fair value recognized in gain (loss) on financial instruments, net. The derivative is remeasured at each reporting date until settlement. The derivative asset related to the appreciation forfeiture provision is measured using a valuation model that incorporates observable and unobservable inputs, including stock price, volatility, and remaining term, and is classified as a Level 3 fair value measurement. Other than the change in fair value due to remeasurement during the three and six months ended September 30, 2026, there was no other activity with respect to the derivative asset (e.g., no additional issuances, settlements, transfers, etc.).

The key inputs used in the valuation as of September 30, 2026 were: expected terms (in years) - 1.25; stock price - $1.36; exercise price - $4.16; expected volatility - 116.25%; expected dividend rate - 0.0%; and risk-free rate - 4.60%. The key inputs used in the valuation as of March 31, 2026 were: expected terms (in years) - 1.75; stock price - $3.50; exercise price - $4.16; expected volatility - 95.59%; expected dividend rate - 0.0%; and risk-free rate - 3.67%.

Financial instruments on a non-recurring basis

Goodwill

During the second quarter of fiscal 2027, primarily as a result of a significant, sustained decline in our Class A common stock price and the Company's related market capitalization since our prior annual goodwill impairment test, we concluded that it was more likely than not that the fair value of each of our reporting units with goodwill were below their respective carrying amounts, which resulted in us performing an interim impairment assessment. As a result, we wrote the carrying value of the Ben Custody reporting unit with goodwill down to its estimated fair value and recognized non-cash goodwill impairment charges of $1.5 million and $1.5 million, respectively, during the three and six months ended September 30, 2026, which is reflected in the consolidated statements of comprehensive income (loss). During the first and second quarters of fiscal 2026, we concluded that a triggering event had not occurred and thus, we were not required to perform an interim impairment

assessment during either of these periods. Through September 30, 2026, cumulative prior goodwill impairments totaled approximately $2.4 billion, with the vast majority of this goodwill impairment recognized in our 2024 fiscal year.

For the interim impairment assessment performed for the quarter ended September 30, 2026, the Company computed the fair value of each reporting unit by computing the overall enterprise value of the Company by valuing its various equity instruments, primarily based on the Class A common stock price per share. The overall enterprise value was allocated to each reporting unit using the discounted cash flow method to estimate the relative value of each reporting unit based on their future cash flows using a multi-year forecast, and a terminal value calculated using a long-term growth rate that was informed based on our industry, analyst reports of a public company peer set, current and expected future economic conditions and management expectations. The discount rate used to discount these future cash flows was determined using a capital asset pricing model based on the market value of equity of a public company peer set, adjusted for risk characteristics and expectations specific to the reporting unit, combined with an assessment of the cost of debt.

The discount rates used for each reporting unit ranged from 28.0% to 29.3% for the March 31, 2026 impairment assessment. The Company applied a terminal year long-term growth rate of 3.0% for each reporting unit during the interim impairment assessment. Remaining goodwill at September 30, 2026 relates to Ben Custody and Ben Markets.

The change in goodwill at each reporting unit was as follows:

(Dollars in thousands)	**March 31, 2026**	**Impairment**	**September 30, 2026**
Ben Liquidity	$ —	$ —	$ —
Ben Custody	7,469	(1,479)	5,990
Ben Insurance	—	—	—
Ben Markets	2,445	—	2,445
Total Goodwill	$ 9,914	$ (1,479)	$ 8,435

There were no other assets or liabilities measured at fair value on a non-recurring basis as of September 30, 2026 and March 31, 2026.

Carrying amounts and estimated fair values

The estimated fair value of financial instruments, whether or not recognized in the consolidated statements of financial condition, for which it is practicable to estimate those values, are disclosed below. These fair value estimates are determined based on relevant market information and information about the financial instruments. Fair value estimates are intended to represent the price at which an asset could be sold or the price at which a liability could be transferred. However, our estimates of many of these fair values are subjective in nature, involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimated values. Nonfinancial instruments are excluded from disclosure requirements.

The carrying amounts and estimated fair values of the Company's financial instruments not recorded at fair value as of September 30, 2026 and March 31, 2026, were as noted in the table below:

	As of September 30, 2026		
(Dollars in thousands)	Level in Fair Value Hierarchy	Carrying Amount	Estimated Fair Value
Financial assets:			
Cash and cash equivalents	1	$ 7,476	$ 7,476
Financial liabilities:			
Debt due to related parties, net [(1)]	2	96,786	94,683
Accounts payable and accrued expenses		59,909	59,909

(Dollars in thousands)	As of March 31, 2026		
	Level in Fair Value Hierarchy	Carrying Amount	Estimated Fair Value
Financial assets:			
Cash and cash equivalents	1	$ 2,543	$ 2,543
Financial liabilities:			
Debt due to related parties, net [(1)]	2	96,785	92,702
Accounts payable and accrued expenses		63,788	63,788

[(1)] - The estimated fair value of debt due to related parties, net, does not include the value of accrued but unpaid interest totaling $36.0 million and $30.5 million as of September 30, 2026 and March 31, 2026, respectively, that is included in other liabilities in the consolidated statements of financial condition.

6. Convertible Promissory Notes

On June 26, 2026, the Company entered into the A&R SEPA which in part, provided that Yorkville will advance to the Company the principal amount of $4.0 million evidenced by promissory notes convertible into shares of Class A common stock (each, a "Promissory Note" and the shares of Class A common stock issuable upon conversion of the Promissory Notes, the "Conversion Shares").

On June 30, 2026, the Company issued a Promissory Note to Yorkville in the aggregate amount of $2.0 million, subject to an original issue discount of 5%, which resulted in gross proceeds to the Company of approximately $1.9 million, which were received on July 1, 2026. On August 5, 2026, the Company issued an additional Promissory Note to Yorkville in the aggregate amount of $2.0 million, subject to an original issue discount of 5%, which resulted in gross proceeds to the Company of approximately $1.9 million, which were received on August 5, 2026. Contemporaneously with the execution and delivery of the A&R SEPA, certain of the Company's subsidiaries entered into a global guaranty agreement (the "Guaranty") in favor of Yorkville with respect to the Company's obligations under the A&R SEPA and the Promissory Notes.

The Promissory Notes bear interest at 5.0% per annum, subject to a potential increase to 18.0% per annum (or the maximum amount permitted by applicable law) upon the occurrence of an Event of Default, for so long as such Event of Default remains uncured. The Promissory Notes will mature on June 30, 2027 (the "Maturity Date"), which may be extended at the option of the holder. The Promissory Notes are convertible at the option of the holder into Class A common stock equal to the applicable Conversion Amount (as defined below) divided by the Conversion Price. The "Conversion Price" means, as of any conversion, the lower of (a) 150% of the VWAP reported by Bloomberg on the trading day immediately prior to the date of the First Closing (the "Fixed Price") or (b) 92.0% of the lowest daily VWAP of the Class A common stock during the five trading days immediately prior to such conversion. The "Floor Price" (solely with respect to the variable component of the Conversion Price) will be $0.89 per share of Class A common stock, subject to the Company's right to further reduce the Floor Price upon written notice to Yorkville. The Promissory Notes may be converted in whole or in part, at any time and from time to time, subject to the A&R SEPA Exchange Cap. Notwithstanding the A&R SEPA Exchange Cap and assuming interest at 5.0% through the Maturity Date, the maximum amount of shares issuable upon conversion of the Promissory Notes is 4,719,101. The Conversion Amount with respect to any requested conversion will equal the principal amount requested to be converted plus all accrued and unpaid interest on the Promissory Notes as of such conversion (the "Conversion Amount"). In addition, no conversion will be permitted to the extent that, after giving effect to such conversion, the holder together with certain related parties would beneficially own in excess of 4.99% of the Class A common stock outstanding immediately after giving effect to such conversion, subject to certain adjustments.

The Promissory Notes provide the Company, subject to certain conditions, with an optional redemption right pursuant to which the Company, upon 10 trading days' prior written notice to Yorkville (the "Redemption Notice"), may redeem in cash, in whole or in part, all amounts outstanding under the Promissory Notes prior to the Maturity Date; provided that the VWAP on the date such Redemption Notice is delivered is less than the Fixed Price at the time of the Redemption Notice. The redemption amount shall be equal to the outstanding principal balance being redeemed by the Company, plus a prepayment premium of 5.0% of the principal amount being redeemed (the "Prepayment Premium"), plus all accrued and unpaid interest in respect of such redeemed principal amount; provided, however, that if the Company redeems the Promissory Notes within 90 days following the Issuance Date, no Prepayment Premium will be owed.

Upon the occurrence of certain amortization events, including if (a) the daily VWAP of the Class A common stock is lower than the Floor Price for any five of seven consecutive trading days, (b) the Company has issued substantially all of the shares available under the A&R SEPA Exchange Cap or (c) at any time after the Effectiveness Deadline (as defined in the Registration Rights Agreement), Yorkville is unable to use the Registration Statement for a period of ten consecutive trading days, the Company will be required to make monthly cash payments equal to $1.0 million of the principal amounts then outstanding, plus any accrued and unpaid interest and a payment premium equal to 5.0% of such principal amount, beginning

on the seventh trading day following such amortization event. Every month thereafter if the amortization event is not cured, an additional cash payment will be due on the same terms.

During the quarter ended September 30, 2026, approximately $2.7 million of the Promissory Notes have been converted into 2,621,609 shares of Class A common stock. The remaining principal balance under the Promissory Notes is approximately $1.3 million.

The Company elected to account for the Promissory Notes under the fair value option of accounting upon issuance. The primary reason for the fair value option is for simplification of accounting for the Convertible Debenture at fair value in its entirety. The fair value was determined using a Monte Carlo valuation model. Refer to Note 5 for further information.

7. Debt Due to Related Parties

As of September 30, 2026 and March 31, 2026, the Company's debt due to related parties consisted of the following:

(Dollars in thousands)	**September 30, 2026**	**March 31, 2026**
First Lien Credit Agreement	$ 21,260	$ 21,260
Second Lien Credit Agreement	72,983	72,983
Other borrowings	2,470	2,409
Unamortized debt premium, net	73	133
Total debt due to related parties	$ 96,786	$ 96,785

First and Second Lien Credit Agreements

On August 13, 2020, Ben, through its subsidiary Beneficient Capital Company II, L.L.C. (formerly known as Beneficient Capital Company, L.L.C.) ("BCC"), executed the Second Amended and Restated First Lien Credit Agreement ("First Lien Credit Agreement") and the Second Amended and Restated Second Lien Credit Agreement ("Second Lien Credit Agreement") collectively, (the "Second A&R Agreements") with its lender, HCLP Nominees, L.L.C. ("HCLP"), to amend its First Lien Credit Agreement and Second Lien Credit Agreement dated September 1, 2017 and December 28, 2018, respectively. The Second A&R Agreements have been further amended from time to time to extend the maturity date and defer principal and interest payments, among other things, as more fully described in our Annual Report on Form 10-K for the year ended March 31, 2026. In connection with certain of the amendments to the Second A&R Agreements, Ben agreed to pay extension fees on a percentage of the amount outstanding under the credit agreements as of the date of the respective amendment.

The latest amendments occurred on July 12, 2023, when BCH entered into (a) that certain Amendment No. 7 to the First Lien Amendment, which amended the First Lien Credit Agreement, and (b) that certain Amendment No. 7 to Second Lien Amendment (together with the First Lien Amendment, the "Seventh Amendments"), which amended the Second Lien Credit Agreement, each among BCH, HCLP and the other parties thereto. Among other things, the Seventh Amendments (i) modified the interest rate to a fixed rate of 9.5%, (ii) extended the maturity dates of the First Lien Amendment and the Second Lien Amendment to September 15, 2024 and September 15, 2027, respectively, and (iii) agreed to installment payments on the First Lien Amendment of $5.0 million on each of March 29th, June 28th, September 29th, and December 29th of each year for so long as the obligations remain outstanding, and so long as such payments do not cause a going concern. No payments will be made on the Second Lien Amendment until the obligations on the First Lien Amendment have been fully satisfied. Effective on July 31, 2024, the maturity date of the First Lien Credit Agreement was extended from September 15, 2024 to February 1, 2025, and certain mandatory prepayment obligations thereunder were waived by HCLP until February 1, 2025. On January 31, 2025, these terms were further extended to February 8, 2025 and then on February 8, 2025 the terms were extended to February 15, 2025. Furthermore, effective as of March 1, 2025, the Company's obligations under the First Lien Credit Agreement were waived by HCLP through April 1, 2025, and the maturity date of the First Lien Credit Agreement was extended through April 1, 2025. These terms were then extended through April 7, 2025 and again through April 14, 2025.

On April 14, 2025, the HCLP Loan purportedly matured, and on July 30, 2025, we received written notice (the "Notice") from HCLP that events of default occurred with respect to the Second A&R Agreements. The Notice provided that, among other things, (i) with respect to the First Lien Credit Agreement, a default occurred on April 14, 2025, and has been continuing at all times since that date through July 29, 2025, as a result of BCH's failure to pay all outstanding obligations (including all principal and accrued interest on the loan made pursuant to the First Lien Credit Agreement) on April 14, 2025, and that such default constitutes an Event of Default (as defined in the First Lien Credit Agreement) (such default, the "First Lien Event of Default") and (ii) with respect to the Second Lien Credit Agreement, a default also occurred on April 14, 2025, which has been continuing at all times since that date through July 29, 2025, as a result of the First Lien Event of Default, which also constitutes an Event of Default (as defined in the Second Lien Credit Agreement) pursuant to the Second Lien

Credit Agreement (the "Second Lien Event of Default," and together with the First Lien Event of Default, the "Specified Events of Default").

The Notice also provided that, as a result of the Specified Events of Default, the outstanding principal amount of the loans under the Second A&R Agreements and all other amounts owing or payable under each credit agreement or under any other loan document was immediately due and payable (including, without limitation, all interest accrued through July 29, 2025, and all amounts owing under Section 9.04(b) of each credit agreement). Furthermore, the Notice also declared that Accrued Interest (as defined in the Second A&R Agreements), effective as of April 14, 2025, shall accrue on each calendar day on the outstanding amount of the loan under each Credit Agreement, after as well as before judgment, at a rate equal to 11.5% per annum and such accrued interest shall be payable on demand.

As a result of the Specified Events of Default, in accordance with Section 5(c)(i) of each security agreement executed in connection with the Second A&R Agreements, the Notice provides that the pledgors pursuant to such security agreements are prohibited from selling, transferring, exchanging, disposing of, or granting any option with respect to the following collateral and any related proceeds as of July 29, 2025: (i) the equity interests in the underlying investment funds, in each case together with the certificates (or other agreements or instruments), if any, representing such equity interests, and all options and other rights, contractual or otherwise, with respect thereto; (ii) the loans and loan agreements made to the funding trusts; (iii) the acquisition documents; (iv) all other accounts, chattel paper, documents, general intangibles, instruments, investment property, money, deposit accounts, goods, commercial tort claims, letters of credit, letter of credit rights and supporting obligations; (v) all proceeds of the property described in the foregoing clauses (i), (ii), (iii) and (iv); and (vi) all books and records (including computer software and other records) pertaining to any of the foregoing.

Consistent with the assertions contained in the Notice, HCLP delivered certain letters to each of the Company entity guarantors and pledgors (including BCH, Ben Liquidity, and Beneficient USA, among others) requesting various remedies, including demands for payment of the outstanding obligations and the transfer of applicable HCLP loan collateral and any proceeds therefrom, pursuant to purported rights under the HCLP Loan Agreement. Additionally, HCLP delivered certain letters to Delaware Trust Company, as trustee of certain custody trusts (LT-1 – LT-28 Custody Trusts) that hold HCLP loan collateral, requesting various remedies including the transfer of their applicable HCLP loan collateral and any proceeds therefrom, pursuant to purported rights under the HCLP Loan Agreement. The Company has communicated with the non-Company recipients of the HCLP notices to relay the Company's position.

On June 19, 2025, Mr. Heppner resigned from his position as CEO and Chairman of the Board following a request from the Company's counsel, acting at the direction of the Audit Committee of the Board, for Mr. Heppner to sit for a formal interview regarding, among other things, his knowledge of certain documents and information concerning Mr. Heppner's relationship to HCLP provided to the Company's auditors in 2019. The interview request was made after the Company identified credible evidence that Mr. Heppner participated in fabricating and delivering fake documents to the Company regarding his and others' relationships to HCLP, knowing that these documents would be provided to the Company's auditors. The Company continues to consider additional information it has learned about other conduct by Mr. Heppner and other persons that purportedly controlled HCLP to determine the extent to which any of that conduct surrounding HCLP was fraudulent. On May 7, 2026, Mr. Heppner was convicted of securities fraud, wire fraud, conspiracy to commit securities fraud and wire fraud, and false statements to auditors as further discussed in Note 16.

On August 5, 2025, HCLP filed a summons with notice in the Supreme Court of the State of New York seeking a judgment against the Company for amounts owed under the HCLP Loan Agreement in addition to attorney's fees and litigation costs. The summons with notice did not include a complaint and has not been served on the Company. No action is required by the Company until it has been served. In light of these circumstances, the Company is evaluating the validity of its obligations under the HCLP Loan Agreement and the liens securing the HCLP Loan and is considering all options that it may pursue related to this conduct, including counter claims and litigation against Mr. Heppner, HCLP and any direct or indirect control parties of HCLP. The Company intends to vigorously pursue its claims regarding the validity of such purported indebtedness.

In connection with the Second A&R Agreements, Beneficient Holdings, Inc. ("BHI"), which owns a majority of the BCH Class S Ordinary Units, BCH Preferred A-1, and FLP Subclass 1 Unit Accounts issued by BCH, will grant certain tax-related concessions to HCLP as may be mutually agreed upon between the parties. In exchange for the tax-related concessions, 5.0% of BHI's BCH Preferred A-1, which will be held by HCLP, may convert to BCH Preferred A-0. In addition, recipients of a grant of BCH Preferred A-1 from BHI will have the right to put an amount of BCH Preferred A-1 to Ben equal to any associated tax liability stemming from any such grant; provided that the aggregated associated tax liability shall not relate to more than $30.0 million of grants of BCH Preferred A-1 from BHI. No such liability existed as of September 30, 2026 and March 31, 2026.

The Second A&R Agreements and ancillary documents contain covenants that (i) prevent Ben from issuing any securities senior to the BCH Preferred A-0 or BCH Preferred A-1; (ii) prevent Ben from incurring additional debt or borrowings greater than $10.0 million, other than trade payables, while the loans are outstanding; and (iii) prevent, without the written consent of

HCLP, GWG Holdings from selling, transferring, or otherwise disposing of any BCH Preferred A-1 held as of May 15, 2020, other than to its subsidiary GWG DLP Funding V, LLC. GWG no longer holds any BCH Preferred A-1 Unit Accounts. Ben obtained consents for the Second A&R Agreements from HCLP in connection with the HH-BDH Credit Agreement (as defined below).

No payments of principal or interest have been made on the First Lien or Second Lien Credit Agreements since an interest payment made in March 2023. Accrued interest on the First Lien or Second Lien Credit Agreements of $35.0 million as of September 30, 2026 and $29.5 million as of March 31, 2026 is included in other liabilities in the consolidated statements of financial condition. As of September 30, 2026 and March 31, 2026, the unamortized premium related to the Second A&R Agreements was $0.1 million and $0.1 million, respectively.

Term Loan

On October 19, 2023, the Borrower, a wholly owned subsidiary of the Company, and BCH, as guarantor (the "Guarantor" and together with the Borrower, the "Loan Parties"), entered into the HH-BDH Credit Agreement with HH-BDH, as administrative agent. HH-BDH's sole member is Hicks Holdings. The managing member of Hicks Holdings was Mr. Thomas O. Hicks, a member of the Board, until his passing in December 2025. Mack Hicks, who was appointed to the Board in March 2026, is now the managing member of Hicks Holdings. HH-BDH funded the amounts under the HH-BDH Credit Agreement with the proceeds of a third-party financing (the "Financing").

The HH-BDH Credit Agreement provides for a three-year term loan in the aggregate principal amount of $25.0 million (the "Term Loan"), which was fully drawn on closing. On August 16, 2024, that certain Amendment No. 1 and Waiver No. 1 to the Credit and Guaranty Agreement and Each Other Loan Document (the "Amendment," and the Credit Agreement, as amended by the Amendment, the "Amended Credit Agreement"), was executed to add a subsequent term loan of $1.7 million, which was fully drawn upon the closing of the Amendment (together with the Term Loan, the "Loans"). During the three months ended June 30, 2025, we agreed to an additional advance, as part of a then ongoing negotiation to enter into an amendment to the Term Loan, to add an additional term loan of $850 thousand, which was used to provide working capital. The amendment was not finalized prior to the outstanding principal of the loan being paid off and the execution of the 2026 Letter Agreement on March 10, 2026, as further discussed below.

The Amended Credit Agreement required the Borrower to prepay the outstanding principal balance of the Loans in the amount of $200 thousand, $200 thousand, $200 thousand, $200 thousand and $875 thousand on each of September 7, 2024, October 7, 2024, November 7, 2024, December 7, 2024 and December 31, 2024, respectively. Furthermore, on each Required Payment Date (defined in the Amended Credit Agreement as December 31, 2024 and the last business day of each calendar month thereafter), the Borrower shall prepay the outstanding principal balance of the Loans by an amount equal to the lesser of (a) the Total Portfolio Net Receipts (as defined in the Amended Credit Agreement) for the most recently ended period beginning on the 16th day of each month and ending on the 15th day of the immediately following month, and (b) as of each Required Payment Date, an amount equal to the excess, if any, of (x)(i) the number of Required Payment Dates occurring on or prior to such Required Payment Date, multiplied by (ii) $500,000, minus (y) the amount of all Excess Payments (as defined in the Amended Credit Agreement) made prior to such Required Payment Date. Additionally, the Amended Credit Agreement requires the Borrower to make certain minimum monthly payments to prepay the balance of the Loans.

Borrowings under the HH-BDH Credit Agreement, as amended, bear interest at the adjusted daily simple SOFR rate with a margin of 6.5% for the first two years and 5.5% for the third year for the Loans. Accrued and unpaid interest is payable monthly, upon prepayment, and at maturity.

The Loans were set to mature on October 19, 2026. In January 2026, all outstanding principal amounts were repaid under the HH-BDH Credit Agreement.

At the time of the repayment of the outstanding principal amounts, the Borrower still owed approximately $1.7 million for interest and fees that had been deferred. As discussed in Note 1 above, on March 10, 2026, the parties entered into the 2026 Letter Agreement to provide for payment terms for the remaining $1.7 million in outstanding interest and fees. For the payment of the outstanding interest and fees, (i) the Company issued HH-BDH 149,904 shares of the Company's Class A common stock having an aggregate value of $572,588 based on the five-day volume-weighted average price per share of the Class A common stock on March 10, 2026, and (ii) the Borrower agreed to pay HH-BDH an amount in cash equal to $1.0 million not later than five business days following September 30, 2026, which is included in other liabilities in the consolidated statements of financial condition. Additionally, for the payment of outstanding expenses, the Borrower paid HH-BDH an amount in cash equal to $94,365 in April 2026. Effective October 7, 2026, we entered into an amendment to the 2026 Letter Agreement to extend the deadline for the $1.0 million cash payment to HH-BDH until March 31, 2027. Additionally, the 2026 Letter Agreement also provided HH-BDH with certain piggyback registration rights for the shares issued to HH-BDH, subject to certain limitations set forth therein.

The Term Loan is secured in part by pledges of: (a) substantially all of the assets of the Borrower, (b) the Guarantor's equity interests in the Borrower, (c) 97.5% of the equity interests held by The EP-00117 Custody Trust, a Delaware statutory trust known as the "Custody Trust," in certain entities that hold interests in private investment funds, which, as of September 30, 2026 and March 31, 2026, represented approximately 4.8% and 15.4%, respectively, of all assets held by the Customer ExAlt Trusts and (d) certain deposit accounts.

The HH-BDH Credit Agreement, as amended, contains customary representations, warranties, affirmative and negative covenants, including covenants which restrict the ability of the Loan Parties, the Custody Trust and certain affiliated entities to, among other things, create liens, incur additional indebtedness, make certain restricted payments and engage in certain other transactions, in each case subject to certain customary exceptions. In addition, the HH-BDH Credit Agreement, as amended, contains certain financial maintenance covenants.

Additionally, the HH-BDH Credit Agreement, as amended, contains customary events of default relating to, among other things, payment defaults, breach of covenants, cross default of material indebtedness, bankruptcy-related defaults, judgment defaults, the occurrence of certain change of control events, and the Class A common stock being suspended from trading for more than two consecutive days or delisting from Nasdaq. The occurrence of an event of default may result in the acceleration of repayment obligations with respect to any outstanding principal amounts and foreclosure on the collateral. As part of the Amendment, certain events of default resulting from the occurrence of the Acknowledged Defaults (as defined in the Amendment) were waived, provided that in the case of the expense reimbursement default, it was cured within a certain period of time, which was met.

The Company has at times in late fiscal year 2025 and in subsequent periods been in default on certain of these requirements, including delayed interest and principal payments and noncompliance with the minimum monthly liquidity requirement, among others. The events of default under the Second A&R Agreements described above triggered a cross default provision in the HH-BDH Credit Agreement. The Company timely notified HH-BDH of the cross default. HH-BDH has not notified the Company that it intends to declare an event of default as it relates to the cross default provision of the HH-BDH Credit Agreement or with respect to other defaults related to required payment obligations, financial covenants, and information reporting requirements. As described above, the outstanding principal amounts were repaid in January 2026 and the 2026 Letter Agreement was entered into on March 10, 2026, as amended on October 7, 2026, for payment terms on the outstanding interest and fees.

Aggregate maturities of principal, considering the existing events of default as described above, on the debt due to related parties for the next five fiscal years ending March 31 are as follows:

(Dollars in thousands)		**Debt Due to Related Parties**
2027	$	96,713
2028		—
2029		—
2030		—
2031		—

8. Share-based Compensation

As of September 30, 2026 and March 31, 2026, the Company has outstanding share-based awards under the Beneficient Management Partners, L.P. ("BMP") Equity Incentive Plan (the "BMP Equity Incentive Plan"), and the Beneficient 2023 Long Term Incentive Plan (the "2023 Incentive Plan"). There have been no significant changes to the terms of our share-based compensation plans during the six months ended September 30, 2026. For a complete description of the plans, see Note 11 to our Consolidated Financial Statements in our Annual Report.

There were no grants of RSUs, stock options or other types of awards during the six months ended September 30, 2026 or 2025, other than to certain employees as part of their commission compensation described below or to certain board members who agreed to accept RSUs, in lieu of cash, as payment for previously accrued but unpaid board fees, both of which were made under the 2023 Incentive Plan.

On December 15, 2025, the Company effected the 2025 Reverse Stock Split. All outstanding stock options, restricted stock units and restricted equity units, as well as the Company's equity incentive plans have been retroactively adjusted to reflect the 2025 Reverse Stock Split.

Commissions

Certain of our employees' commission compensation is paid in the form of common stock. Such shares granted to employees

are subject to service-based vesting conditions over a multi-year period from the recipient's grant date. For any awards granted through June 8, 2023 were also subject to a performance condition, which was met on June 8, 2023 when Ben became publicly listed. Awards issued as part of the certain of our employees' commission compensation after June 8, 2023 do not contain a performance condition. Awards as part of employees' commission compensation for the three and six months ended September 30, 2026 and 2025 have not been significant.

The following table presents the components of share-based compensation expense, included in employee compensation and benefits, recognized in the consolidated statements of comprehensive income (loss) for the three and six months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Six Months Ended September 30,	
(dollars in thousands)	**2026**	**2025**	**2026**	**2025**
BMP equity units	$ —	$ 37	$ —	$ 103
Restricted stock units	141	403	304	776
Other	22	22	44	44
Total share-based compensation	$ 163	$ 462	$ 348	$ 923

Unrecognized share-based compensation expense totaled $0.6 million as of September 30, 2026, which we expect to recognize based on scheduled vesting of awards outstanding at September 30, 2026. The following table presents the share-based compensation expense expected to be recognized over the next five fiscal years ending March 31 for awards outstanding as of September 30, 2026:

(dollars in thousands)	**RSU**
Six months ending 2027	$ 306
2028	245
2029	—
2030	—
2031	—
Total	$ 551

9. Equity

Below is a description of the outstanding classes of the equity of the Company, including quasi-equity amounts that are required to be reported as temporary equity between the liabilities and equity sections on the consolidated statements of financial condition. As of September 30, 2026, the 9th Amended and Restated LPA of BCH ("BCH LPA"), as amended, and the articles of incorporation (the "Articles of Incorporation") and bylaws ("Bylaws" and, together with the Articles of Incorporation, the "Governing Documents") of Beneficient, govern the terms of these equity securities, as applicable. The Governing Documents authorize the issuance of additional classes of equity. All equity interests of BCH are limited partnership interests.

Common Stock:

Voting. Each holder of our Class A common stock is entitled to one vote per each share of Class A common stock held of record by such holder on all matters on which stockholders generally are entitled to vote, and each holder of our Class B common stock is entitled to 10 votes per share on all matters on which stockholders generally are entitled to vote. Holders of shares of common stock vote as a single class, except for certain matters for which only holders of Class B common stock are entitled to vote.

Dividends. Subject to preferences that may apply to any outstanding shares of preferred stock, holders of common stock are entitled to receive ratably any dividends that our Board may declare out of funds legally available for that purpose on a non-cumulative basis; provided, however, that in the case of any dividends in common stock, holders of Class A common stock are entitled only to receive Class A common stock and holders of Class B common stock are entitled only to receive Class B common stock. In no event will the shares of either Class A common stock or Class B common stock be split, divided, or combined unless the outstanding shares of the other class are proportionally split, divided or combined.

Conversion. Shares of Class A common stock are not convertible into any other shares of our capital stock. Shares of Class B common stock are convertible into shares of Class A common stock at any time at the option of the holder or upon any

transfer, except for certain transfers described in the Articles of Incorporation.

Standby Equity Purchase Agreement

On June 27, 2023, the Company entered into the 2023 SEPA with Yorkville, whereby the Company had the right, but not the obligation, to sell to Yorkville up to $250.0 million of its shares of the Company's common stock at the Company's request any time during the 36 months following the execution of the 2023 SEPA, subject to certain conditions. The Company paid a structuring fee in cash and a commitment fee in an amount equal to $1.3 million by issuing 713 shares of Class A common stock in July 2023.

On September 29, 2023, a resale registration statement on Form S-1 was declared effective by the SEC, thereby permitting sales of Class A common stock to Yorkville under the 2023 SEPA. This resale registration statement on Form S-1 was terminated on September 27, 2024. A new resale registration statement on Form S-1, registering approximately 25.0 million shares (as adjusted for the 2025 Reverse Stock Split) for resale under the 2023 SEPA, was declared effective by the SEC on November 12, 2024. Under the 2023 SEPA, during the six months ended September 30, 2026 and 2025, the Company sold a total of 60,000 and 117,694 of Class A common shares (as adjusted for stock splits), respectively, for a total of $0.2 million and $0.3 million in net proceeds, respectively.

On June 26, 2026, the Company entered into the A&R SEPA to (i) reduce the commitment size of the 2023 SEPA to $100.0 million and extend its maturity on the terms and conditions set forth therein and (ii) provide that Yorkville will advance to the Company the principal amount of $4.0 million evidenced by promissory notes. As of September 30, 2026, the Company has not sold any shares of Class A common stock to Yorkville under the A&R SEPA. On August 5, 2026, a resale registration statement on Form S-1 was declared effective by the SEC. The Company paid a commitment fee of $1.0 million in connection with the A&R SEPA. The commitment fee was paid through the issuance of 280,631 shares of Class A common stock. Additionally, 2,621,609 shares of Class A common stock have been issued upon conversion of approximately $2.7 million of the Promissory Notes through the period ending September 30, 2026.

The Company has and expects to continue to use the net proceeds received from this agreement for working capital and general corporate purposes.

Preferred Stock:

Under the terms of our Articles of Incorporation, our Board is authorized to issue up to 250 million shares of preferred stock in one or more series. As of September 30, 2026, 50 million shares of preferred stock are designated as shares of Series A preferred stock and approximately 7.6 million are designated as Series B preferred stock pursuant to certificates of designation.

Series A Preferred Stock:

As of September 30, 2026 and March 31, 2026, there were no shares of Series A preferred stock issued and outstanding, respectively.

Maturity. Subject to the redemption and conversion rights described below, shares of Series A preferred stock are perpetual securities.

Priority. Shares of Series A preferred stock rank senior to shares of common stock with respect to dividend rights and/or distribution rights upon the liquidation, winding up or dissolution, as applicable, of Beneficient.

Voting. Holders of Series A preferred stock are not entitled to vote on any matter, except as required by law.

Dividends. Holders of Series A preferred stock are entitled to receive ratably any dividends that our Board declares and pays on the common stock, on an as-converted basis, when paid to holders of common stock. Beneficient may, subject to customary restrictions, but is not required to, declare or pay any dividends solely on shares of Series A preferred stock.

Liquidation or Dissolution. The initial liquidation preference of Series A preferred stock is $0.001 per share, plus any declared but unpaid dividends (the "Liquidation Preference"). In the event of our liquidation, dissolution or winding up, holders of Series A preferred stock are entitled to receive, per share of Series A preferred stock, the Liquidation Preference or, prior to the Series A Preferred Stock Conversion Date, if a greater amount, the amount such holder would have received had their shares of Series A preferred stock converted into Class A common stock immediately prior to such liquidation event.

Conversion, Transferability and Exchange. Per the terms of the Articles of Incorporation, because the Series A preferred stock is not expected to be publicly listed, each share of the Series A preferred stock will automatically convert into one-quarter of a share of Class A common stock upon issuance.

Redemption. Beneficient may redeem, ratably, in whole or, from time to time in part, the shares of Series A preferred stock of

any holder then outstanding at the Liquidation Preference in cash. Holders of shares of Series A preferred stock do not have the right to require Beneficient to redeem their shares of Series A preferred stock under any circumstances.

Series B Preferred Stock:

The Series B preferred stock has various subclasses, however, the general rights, preferences, privileges and restrictions of these equity securities are described below. Each of the Series B preferred stock has a par value of $0.001 per share. Cumulatively through September 30, 2026 eleven subclasses of Series B preferred stock have been issued and ten subclasses of Series B preferred stock remain outstanding. The most significant difference in the various subclasses of the Series B preferred stock pertains to the conversion rate and the mandatory conversion periods, both of which are described below. During the six months ended September 30, 2025, the Company issued 1,179,946 shares of Series B Resettable Convertible Preferred Stock, comprising subclasses No. 6 through No. 8 in the amounts of 965,576; 23,333; and 191,037, respectively. During the six months ended September 30, 2026, the Company issued 875,214 and 744,455 shares of Series B Resettable Convertible Preferred Stock, comprised of subclasses No. 10 and No. 11, respectively, in connection with liquidity transactions.

All of the Series B-1 preferred stock converted into Class A common stock in October 2023. Additionally, 96,558 shares of Series B-6, 18,669 shares of Series B-7 and 120,910 shares of Series B-9 have, cumulatively, converted into Class A common stock through September 30, 2026. In October 2026, an additional 2,334 shares of Series B-7 preferred stock converted into 13,060 shares of Class A common stock and 30,228 shares of Series B-9 converted into 56,502 shares of Class A common stock.

As of September 30, 2026 and March 31, 2026, there were a total of 3,228,876 and 1,831,343 shares of Series B preferred stock, issued and outstanding, respectively.

Maturity. Subject to the redemption and conversion rights described below, shares of Series B preferred stock are perpetual securities.

Priority. Shares of Series B preferred stock rank, with respect to dividend rights and/or distribution rights upon the liquidation, winding up or dissolution, as applicable, of Beneficient as: (i) senior to shares of common stock; (ii) pari passu with Series A Preferred Stock; (iii) senior, pari passu or junior with respect to any other series of preferred stock, as set forth in the terms with respect to such preferred stock; and (iv) junior to all existing and future indebtedness of the Beneficient.

Voting. Holders of Series B preferred stock are not entitled to vote on any matter, expect as required by law.

Dividends. Holders of Series B preferred stock are entitled to receive ratably any dividends that our Board declares and pays on the common stock, on an as-converted basis, when paid to holders of common stock. Beneficient may, subject to customary restrictions, but is not required to, declare or pay any dividends solely on shares of Series B preferred stock.

Liquidation or Dissolution. The initial liquidation preference of Series B preferred stock is $10.00 per share, plus any declared but unpaid dividends (the "Series B Liquidation Preference"). In the event of our liquidation, dissolution or winding up, holders of Series B preferred stock are entitled to receive, per share of Series B preferred stock, the Series B Liquidation Preference amount such holder would have received had their shares of Series B preferred stock converted into Class A common stock immediately prior to such liquidation event.

Conversion, Transferability and Exchange. In the event of specified extraordinary transactions, as a result of which shares of Class A common stock would be converted into, or exchanged for, stock, other securities or other property or assets (including cash or any combination thereof), each share of Series B preferred stock outstanding immediately prior to such event will, without the consent of the holders of Series B preferred stock, become convertible into the kind of stock, other securities or other property or assets that such holder would have been entitled to receive if such holder had converted its shares of Series B preferred stock into shares of Class A common stock immediately prior to such event.

Optional Conversion. The conversion price is determined generally based on a volume weighted price of the Class A common stock at the time the Series B preferred stock is issued. The conversion price for the various subclasses of Series B preferred stock outstanding at September 30, 2026 ranged from $1.24 to $256.00 (the "Conversion Price"). Each share of Series B preferred stock is convertible at the option of the holder thereof into a number of shares of Class A common stock that is equal to $10.00 divided by Conversion Price then in effect as of the date of such notice (the "Conversion Rate"). For Series B preferred stock subclasses No. 1 through No. 4 and No. 11, the Conversion Price is subject to reset on certain dates (generally monthly) following the date of issuance of the Series B preferred stock, subject to adjustment, including the reset Conversion Price cannot adjust lower than 50% of the initial Conversion Price or generally, higher than the initial Conversion Price. For the Series B No. 5, the Conversion Price is subject only to customary adjustment and is otherwise fixed at $5.55. For Series B preferred stock subclasses No. 6 through No. 9, the Conversion Price is subject to reset on certain dates (generally monthly) following the date of issuance of the Series B preferred stock, subject to adjustment, including the reset Conversion Price cannot adjust lower than 75% of the initial Conversion Price or generally, higher than the initial Conversion

Price. For the Series B No. 10 issued in April 2026, the initial conversion price is $3.5479 and the reset conversion price is $1.2418. Based on the shares of Series B preferred stock outstanding as of September 30, 2026, the maximum number of Class A common shares that can be issued upon conversion of the Series B preferred stock is 17,290,913 shares.

Mandatory Conversion. Each outstanding share of Series B preferred stock will automatically convert into a number of shares of Class A common stock (the "Mandatory Conversion") at the Conversion Rate then in effect on the date that is the earliest to occur of: (a) 210 calendar days (for the Series B-1 preferred stock) and 60 months (for the other Series B preferred stock subclasses) after the Original Issue Date, subject to certain conditions, (b) if the conditions of clause (a) are not met on the date that is 210 calendar days (for the Series B-1 preferred stock) and 60 months (for the other Series B preferred stock subclasses) following the Original Issue Date, the first date thereafter on which any shares of Series B-1 preferred stock may be resold pursuant to Rule 144 under the Securities Act or the Resale Registration Statement has become effective and, applicable only to the Series B-1 preferred stock, (c) the one year anniversary of the Original Issue Date. The Series B-1 preferred stock shall not convert into Class A common stock to the extent such conversion would cause a holder to exceed 9.99% (the "Beneficial Ownership Limitation") of the number of shares of the Class A common stock outstanding immediately after giving effect to conversion, while the other subclasses of the Series B preferred stock have a 4.99% Beneficial Ownership Limitation.

Redeemable Noncontrolling Interests:

Preferred Series A Subclass 0 Unit Accounts

The BCH Preferred A-0 receives a quarterly guaranteed payment calculated as 6% of the BCH Preferred A-0's initial capital account balance on an annual basis, or 1.50% per fiscal quarter. The BCH Preferred A-0 does not receive any allocations of profits, except to recoup losses previously allocated. The guaranteed payment to BCH Preferred A-0 is not subject to available cash and has priority over all other distributions made by BCH. An entity controlled by Mr. Heppner holds the majority of the BCH Preferred A-0. No amounts have been paid to the BCH Preferred A-0 holders through September 30, 2026. The guaranteed payment accrual totaled $84.3 million and $74.4 million as of September 30, 2026 and March 31, 2026, respectively, and is included in the other liabilities line item of the consolidated statements of financial condition.

Additionally, the BCH Preferred A-0 has the ability under the BCH LPA to elect, by a majority of holders of BCH Preferred A-0, to receive a full return of capital senior to any other security if an event causing mandatory returns of capital occurs.

The BCH Preferred A-0 can be converted into BCH Class S Units at the election of the holder, at a price equal to the average of (i) $6,720.00, and (ii) the volume-weighted average closing price of Class A common stock for the twenty (20) days preceding the applicable exchange date; provided, that from the effectiveness of the BCH LPA through December 31, 2027, such conversion price shall not be less than $6,720.00.

Finally, a holder of BCH Preferred A-0, subsequent to January 1, 2023, may elect to require a redemption by BCH of up to 12.5% of his or her respective initial BCH Preferred A-0 capital account for any rolling twelve-month period; provided that such holder shall not be permitted to redeem more than 50% of such holder's initial BCH Preferred A-0 capital account in the aggregate. Subsequent to January 1, 2023, if a holder of BCH Preferred A-0 continues to hold BCH Preferred A-1, such holder may elect on a quarterly basis to convert additional BCH Preferred A-1 held by such holder to BCH Preferred A-0 up to an amount equal to 12.5% of such holder's initial BCH Preferred A-0 capital account; provided that such holder's post-conversion capital account balance in respect of all BCH Preferred A-0 held by such holder does not exceed such holder's initial BCH Preferred A-0 capital account.

On September 30, 2024, the BCH LPA was amended to re-designate fifty percent (50%) of the aggregate capital account balances in the BCH Preferred A-0 to the BCH Preferred A-0 Non-Redeemable, with the remaining amounts still being redeemable. On November 21, 2024, an additional $35.0 million of the BCH Preferred A-0 was re-designated to BCH Preferred A-0 Non-Redeemable. Thus, the redemption provisions described above for the BCH Preferred A-0 only relate to the portion of the capital account balance of BCH Preferred A-0 that is ultimately not re-designated to the BCH Preferred A-0 Non-Redeemable.

The BCH Preferred A-0 Redeemable are recorded in the consolidated statements of financial condition in the redeemable noncontrolling interest line item and the BCH Preferred A-0 Non-Redeemable are recorded in the consolidated statements of financial condition in the noncontrolling interest line item.

Noncontrolling Interests:

Noncontrolling interests represent the portion of certain consolidated subsidiaries' limited partnership interests or interests in the Customer ExAlt Trusts that are held by third parties. Amounts are adjusted by the noncontrolling interest holder's proportionate share of the subsidiaries' earnings or losses each period and for any distributions that are paid. Equity securities issued by BCH maintain capital account balances determined pursuant to Section 704 of the Internal Revenue Code. Because federal income tax regulations differ in certain respects from U.S. GAAP, income or loss allocations to BCH equity securities

determined in accordance with tax regulations may materially differ from that recognized for financial reporting purposes. For example, the losses recognized for financial reporting purposes arising from the impairment of goodwill are not recognized under tax regulation, and the associated capital account balances have not been impacted by those losses.

The following table presents a rollforward of the noncontrolling interests, on a U.S. GAAP basis. for the three and six months ended September 30, 2026 and 2025:

	Noncontrolling Interests				
(Dollars in thousands)	Trusts	FLP	BCH Preferred Series A-0 Non-Redeemable	BCH Preferred Series A-1	Total Noncontrolling Interests
Balance, June 30, 2026	$ (227,150)	$ —	$ 160,526	$ 92,929	$ 26,305
Net income (loss)	(117)	—	3,185	(22,179)	(19,111)
Preferred A-0 Unit Accounts guaranteed payment accrual	—	—	(3,185)	—	(3,185)
Reclass of distributions payable to noncontrolling interest holder	(171)	—	—	—	(171)
Issuance of equity in connection with recent financings	186	—	—	—	186
Balance, September 30, 2026	$ (227,252)	$ —	$ 160,526	$ 70,750	$ 4,024

	Noncontrolling Interests				
(Dollars in thousands)	Trusts	FLP	BCH Preferred Series A-0 Non-Redeemable	BCH Preferred Series A-1	Total Noncontrolling Interests
Balance, March 31, 2026	$ (228,743)	$ —	$ 160,526	$ 92,950	$ 24,733
Net income (loss)	1,402	—	6,323	(22,200)	(14,475)
Preferred A-0 Unit Accounts guaranteed payment accrual	—	—	(6,323)	—	(6,323)
Reclass of distributions payable to noncontrolling interest holder	(316)	—	—	—	(316)
Issuance of equity in connection with recent financings	405	—	—	—	405
Balance, September 30, 2026	$ (227,252)	$ —	$ 160,526	$ 70,750	$ 4,024

	Noncontrolling Interests				
(Dollars in thousands)	Trusts	FLP	BCH Preferred Series A-0 Non-Redeemable	BCH Preferred Series A-1	Total Noncontrolling Interests
Balance, June 30, 2025	$ (218,356)	$ —	$ 160,526	$ 157,273	$ 99,443
Net income (loss)	(9,780)	—	3,001	(9,191)	(15,970)
Preferred A-0 Unit Accounts guaranteed payment accrual	—	—	(3,001)	—	(3,001)
Reclass of distributions payable to noncontrolling interest holder	(410)	—	—	—	(410)
Balance, September 30, 2025	$ (228,546)	$ —	$ 160,526	$ 148,082	$ 80,062

	Noncontrolling Interests				
(Dollars in thousands)	Trusts	FLP	BCH Preferred Series A-0 Non-Redeemable	BCH Preferred Series A-1	Total Noncontrolling Interests
Balance, March 31, 2025	$ (201,518)	$ —	$ 160,526	$ 173,068	$ 132,076
Net income (loss)	(25,992)	(189)	5,958	(24,986)	(45,209)
Preferred A-0 Unit Accounts guaranteed payment accrual	—	—	(5,958)	—	(5,958)
Reclass of distributions payable to noncontrolling interest holder	(1,331)	—	—	—	(1,331)
Issuance of equity in connection with recent financings	295	—	—	—	295
Miscellaneous adjustment to previously allocated FLP Subclass 3 income	—	189	—	—	189
Balance, September 30, 2025	$ (228,546)	$ —	$ 160,526	$ 148,082	$ 80,062

Preferred Series A Subclass 1 Unit Accounts

The BCH Preferred A-1 unit accounts are issued by BCH and are non-participating and convertible on a dollar basis.

The weighted average preferred return rate for the three months ended September 30, 2026 and 2025 was approximately 1.41% and 1.59%, respectively. The weighted average preferred return rate for the six months ended September 30, 2026 and 2025 was approximately 1.41% and 1.59%, respectively. No amounts have been paid to the BCH Preferred A-1 holders related to the preferred return from inception through September 30, 2026, and any amounts earned have been accrued and are included in the balance of redeemable noncontrolling interests presented on the consolidated statements of financial condition. As of September 30, 2026, approximately $196.4 million of preferred return related to the BCH Preferred A-1 has not been allocated to its holders due to insufficient income during those periods to fully satisfy the preferred return and will be allocable to the BCH Preferred A-1 holders in future quarterly periods to the extent that sufficient income, if any, is available for such allocation. In accordance with the BCH LPA, the preferred rate was waived and did not accrue from June 7, 2023 until December 31, 2024, except to the extent of allocations of income to the holders of the BCH Preferred A-1, in which event distributions may be requested by the holders of the BCH Preferred A-1, and if not requested, such amounts shall be accrued. In connection with the consummation of the Business Combination, the holders of the BCH Preferred A-1 agreed to reduce the BCH Preferred A-1 return rate and also agreed to waive and defer the accrual of the preferred return as described above. In addition, until January 1, 2025, the hypothetical BCH Preferred A-1 capital account will only be increased to the extent there are allocations of income during such period. The agreement to waive and not accrue the Quarterly Preferred Series A-1 Return from the effective date of the BCH LPA until December 31, 2024 does not affect or waive any Quarterly Preferred Series A-1 Returns or hypothetical BCH Preferred A-1 capital account already accrued as of the effective date. Additionally, certain BCH Preferred A-1 holders agreed to be specially allocated any income or losses associated with the BMP Equity Incentive Plan, and certain other costs.

Beginning January 1, 2025, BCH Preferred A-1 may be converted into BCH Class S Ordinary Units at the election of the holder, subject to a 20% annual conversion limit through December 31, 2029 as set forth in the BCH LPA; provided, that if the conversion price for the BCH Preferred A-1 equals or exceeds $11,520 after January 1, 2025, the annual conversion limit shall no longer be applicable. Upon conversion, the holder shall be issued BCH Class S Ordinary Units in an amount equal to the capital account balance associated with the BCH Preferred A-1 being converted divided by a price equal to the average closing price of Class A common stock for the thirty (30) days preceding the applicable exchange date; provided, that from the effectiveness of the BCH LPA through December 31, 2027, such conversion price shall not be less than $6,720. The holder of such newly issued BCH Class S Ordinary Units may immediately convert them into Class A common stock. As discussed below, a Limited Conversion (as therein defined) was effected pursuant to which certain of the foregoing limitations were waived.

The BCH LPA also includes certain limitations of BCH, without the consent of a majority-in-interest of the Preferred Series A Unit Account holders, to (i) issue any new equity securities, and (ii) except as otherwise provided, incur indebtedness that is senior to or pari passu with any right of distribution, redemption, repayment, repurchase or other payments relating to the Preferred Series A Unit Accounts. Further, BCH cannot, prior to the conversion of all the Preferred Series A Unit Accounts, incur any additional long-term debt unless (i) after giving effect to the incurrence of the new long-term debt on a pro forma basis, the sum of certain preferred stock, existing debt and any new long-term indebtedness would not exceed 55% of the BCH's NAV plus cash on hand, and (ii) at the time of incurrence of any new long-term indebtedness, the aggregate balance of the BCH's (including controlled subsidiaries) debt plus such new long-term debt does not exceed 40% of the sum of the NAV of the interests in alternative assets supporting the Collateral underlying the loan portfolio of BCH and its subsidiaries plus cash on hand at BCG, BCH and its subsidiaries. Upon the effectiveness of the Eighth BCH LPA in June 2023, the redemption feature of the BCH Preferred A-1 was removed, which resulted in the BCH Preferred A-1 no longer being required to be presented in temporary equity.

The BCH Preferred A-1 are recorded in the consolidated statements of financial condition in the noncontrolling interest line item.

Limited Conversion of Preferred Series A Subclass 1 Unit Accounts

On October 15, 2025, certain holders of BCH Preferred A-1, that were issued prior to the Company's initial listing on Nasdaq, elected to convert $52.6 million (based on their capital account balances determined pursuant to Section 704 of the Internal Revenue Code) of such BCH Preferred A-1 for BCH Class S Ordinary Units, which were subsequently contemporaneously exchanged for shares of the Company's Class A common stock, (such transaction, the "Limited Conversion"). The Limited Conversion resulted in the issuance of 12,661,786 shares of Class A common stock (such shares, the "Conversion Shares"), and immediately following the Limited Conversion, there were 13,844,818 shares of Class A common stock outstanding.

In connection with the Limited Conversion, the participants in the Limited Conversion entered into a voting and lock-up

agreement which provides that, among other things, (i) the participants will vote their respective Conversion Shares in favor of the recommendation of the Board (except for the election of members of the Board) and (ii) the Conversion Shares will be subject to lockup until October 1, 2028 (the "Lock-Up Period"). The participants also agreed to forego any potential appreciation in the value of the Conversion Shares between the date of the Limited Conversion and the expiration of the Lock-Up Period by agreeing to forfeit the number of Conversion Shares equal in value to any such appreciation at the expiration of the Lock-Up Period. As a result of the Limited Conversion, the participants will forgo certain allocations, distributions, preferred returns, conversion and other rights and preferences associated with the Preferred A-1 Unit Accounts. Thomas O. Hicks, our former Chairman of our Board, and James G. Silk, our Chief Executive Officer, comprised the holders of the BCH Preferred A-1 that elected to participate in the Limited Conversion.

As the BCH Preferred A-1 Units are classified as equity-classified noncontrolling interests, the conversion increased the Company's ownership interest in its consolidated subsidiary while the Company retained control. Accordingly, the transaction was accounted for as an equity transaction under ASC 810-10. The carrying amount of the noncontrolling interest was derecognized, and the difference between the fair value of the consideration issued and the carrying value of the noncontrolling interest was recorded within equity attributable to the Company. No gain or loss was recognized in earnings.

The fair value of the Class A common stock issued in the Limited Conversion was based on the quoted market price on the conversion date, adjusted for legal resale restrictions and the fair value of the appreciation forfeiture provision. The derivative asset related to the appreciation forfeiture provision is measured using a valuation model that incorporates observable and unobservable inputs, including stock price, volatility, and remaining term, and is classified as a Level 3 fair value measurement.

The appreciation forfeiture provision was identified as an embedded derivative that does not qualify for equity classification under ASC 815-40 due to the variable number of shares subject to settlement. The embedded derivative was bifurcated and recorded as a derivative asset at fair value on the conversion date, with subsequent changes in fair value recognized in gain (loss) on financial instruments, net. The derivative is remeasured at each reporting date until settlement.

Class S Ordinary Units

As of both September 30, 2026 and March 31, 2026, BCH, a subsidiary of Ben, had issued approximately eight thousand BCH Class S Ordinary Units, which were all outstanding on each of the respective dates. The BCH Class S Ordinary Units participate on a pro-rata basis in the share of the profits or losses of BCH and subsidiaries following all other allocations made by BCH and its subsidiaries. As limited partner interests, these units have limited voting rights and do not entitle participation in the management of the Company's business and affairs. At the election of the holder, the BCH Class S Ordinary Units are exchangeable quarterly for Class A common stock on a one-for-one basis. Each conversion also results in the issuance to Ben LLC of a BCH Class A Unit for each share of Class A common stock issued.

The BCH Class S Ordinary Units are recorded in the consolidated statements of financial condition in the noncontrolling interests line item.

Class S Preferred Units

The BCH Class S Preferred Units also participate on a pro-rata basis in the share of the profits or losses of BCH and subsidiaries following all other allocations made by BCH and its subsidiaries. As limited partner interests, these units are generally non-voting and do not entitle participation in the management of the Company's business and affairs. The BCH Class S Preferred Units are entitled to a quarterly preferred return. In accordance with the Eighth BCH LPA, the preferred rate was waived and will not accrue from June 7, 2023 until December 31, 2024, except to the extent of allocations of income to the holders of the BCH Class S Preferred Units. In connection with the consummation of the Business Combination, the holders of the BCH Preferred A-1 agreed to significantly reduce the BCH Class S Preferred Units preferred return rate and also agreed to waive and defer the accrual of the preferred return as described above. In addition, until January 1, 2025, the hypothetical BCH Class S Preferred Units capital account will only be increased to the extent there are allocations of income during such period. The agreement to waive and not accrue the Quarterly Class S Preferred Return from June 7, 2023 until December 31, 2024 does not affect or waive any Quarterly Class S Preferred Return or hypothetical BCH Class S Preferred capital account already accrued as of the effective date.

Generally, on a quarterly basis and at the election of the holder, the BCH Class S Preferred Units are exchangeable for BCH Class S Ordinary Units in Ben on a 1.2-for-1 basis. The BCH Class S Ordinary Units may then be exchanged for Class A common stock as described above. Each conversion into Class A common stock also results in the issuance to Ben LLC of a BCH Class A Units for each share of Class A common stock issued. Holders of BCH Class S Preferred Units may elect to convert into BCH Class S Ordinary Units in connection with a sale or dissolution of BCH.

As of September 30, 2026 and March 31, 2026, a nominal number of BCH Class S Preferred Units have been issued. Preferred return earned by the BCH Class S Preferred Units from inception in 2019 through September 30, 2026 is $0.3

million. No amounts have been paid to the BCH Class S Preferred Unit holders related to the preferred return from inception through September 30, 2026 and any amounts earned have been accrued and are included in the balance of BCH Class S Preferred Units presented on the consolidated statements of financial condition.

The BCH Class S Preferred Units are recorded in the consolidated statements of financial condition in the noncontrolling interests line item.

FLP Unit Accounts (Subclass 1 and Subclass 2)

FLP Unit Accounts (Subclass 1 and Subclass 2) are non-unitized capital accounts. The FLP Subclass 1 Units (the "FLP-1 Unit Accounts") were issued to a Related Entity (as defined in Note 12) as part of the initial commercial operations of Ben. The FLP Subclass 2 Units (the "FLP-2 Unit Accounts") are related to the BMP Equity Incentive Plan. Each subclass of the FLP Unit Accounts, with FLP-1 Unit Accounts (receiving 50.5%) and the FLP-2 Unit Accounts (receiving 49.5%), shall be allocated (i) fifteen percent (15%) of the profits, if any, from financing activities of BCH and its subsidiaries and (ii) an amount equal to the lesser of (A) fifty percent (50%) of the revenues of BCH and its tax pass-through subsidiaries, excluding financing activities revenues, and (B) that amount of revenues that will cause the profit margin (as defined in the BCH LPA) to equal twenty percent (20%). Amounts allocated to the FLP Unit Accounts are reinvested equally in additional BCH Class S Ordinary Units and Class S Preferred Units on a quarterly basis at a price equal to the closing price of the units on such exchange on the date of allocation, thereby creating additional BCH Class S Ordinary Units and BCH Class S Preferred Units.

During the three and six months ended September 30, 2026 and 2025, there was no income allocated to the FLP Unit Accounts (Subclass 1 and 2). Annually, a true up of the quarterly allocations is required to match amounts allocated with annual earnings.

In addition to the above stated amounts, the FLP-1 Unit Accounts and FLP-2 Unit Accounts are entitled to a portion of any upward carrying value adjustment as calculated pursuant to Internal Revenue Code Section 704(b). In the event of an upward carrying value adjustment, the FLP-1 Unit Accounts and FLP-2 Unit Accounts are entitled to first be allocated gains associated with such carrying value adjustment equal to 15% of the value of the capital accounts of all BCH Class A Units and BCH Class S Units, calculated based on the post-adjusted capital accounts of the then outstanding BCH Class A and BCH Class S Units. Immediately following any such allocation, the amount allocated is converted in BCH Class S Ordinary Units at the then determined value. Furthermore, the amount allocated to the FLP-1 Unit Accounts is reduced by the value of any previously allocated amount pursuant to an upward carrying value adjustment, calculated as the number of BCH Class S Units previously received multiplied by the value of those units at the time of any subsequent carrying value adjustment.

As a result of the consummation of the Business Combination, an adjustment to the carrying value of BCH's assets of $321.9 million occurred. Pursuant to the BCH LPA, approximately 50,300 BCH Class S Ordinary Units would be issuable as a result of the carrying value adjustment. Additionally, subsequent to the Business Combination through September 30, 2026, additional carrying value adjustments occurred, and approximately 2,548,090 (inclusive of the 50,300 units described above) BCH Class S Ordinary Units would be issuable through September 30, 2026 as a result of such carrying value adjustments, subject to the Compensation Policy. Under the Compensation Policy, unless amended or waived, the number of BCH Class S Ordinary Units that may be issued as a result of carrying value adjustments will be limited and require approval of the Board; provided that any such BCH Class S Ordinary Units that are issuable under the carrying value provision may be issued in subsequent years in accordance with the Compensation Policy. As of September 30, 2026, there has been no allocation of the carrying value adjustment among the holders of the FLP-1 Unit Accounts and the FLP-2 Unit Accounts and no issuance of any BCH Class S Ordinary Units as a result of such adjustment.

FLP Unit Accounts (Subclass 3)

The FLP Subclass 3 Unit Accounts (the "FLP-3 Unit Accounts") were issued to, and are currently held by, BHI. The FLP-3 Unit Accounts will be allocated profits from net financing revenues on a quarterly basis equal to the lesser of (i) 5% of the quarterly net financing revenues, or (ii) 10% of the average annualized stated interest (to the extent constituting net financing revenue) of the quarterly average of new loans issued by any subsidiaries of Ben during the previous twelve fiscal quarters.

The FLP-3 Unit Accounts are entitled to tax and other distributions equal to 100% of the amount of profits allocated to the FLP-3 Unit Accounts, and such distributions are not subject to available cash. The FLP-3 Unit Accounts do not have any conversion features or rights.

During both the three and six months ended September 30, 2026 and 2025, there was no income allocated to the FLP-3 Unit Accounts. The Company has not made any distributions related to income allocated to the FLP-3 Unit Accounts through September 30, 2026 and has accrued a liability of $0.7 million.

Beneficiaries of the Customer ExAlt Trusts

The ultimate beneficiaries of the Customer ExAlt Trusts are the Charitable Beneficiaries, unrelated third-party charities, that are entitled to (i) either, depending on the applicable trust agreements, 2.5% of all distributions received by such Customer ExAlt Trusts or 5.0% of any amounts paid to Ben as payment on amounts due under each ExAlt Loan, (ii) for certain Customer ExAlt Trusts, approximately 10% of the amount of excess cash Collateral, if any, following the full repayment of an ExAlt Loan, and (iii) all amounts accrued and held at the Customer ExAlt Trusts once all amounts due to Ben under the ExAlt Loans and any fees related to Ben's services to the Customer ExAlt Trusts are paid. The Charitable Beneficiaries' account balances with respect to its interest in such Customer ExAlt Trusts cannot be reduced to below zero. Any losses allocable to the Charitable Beneficiaries in excess of their account balances are reclassified at each period end to the trusts' deficit account. Additional Customer ExAlt Trusts are created arising from new liquidity transactions with Customers. These new Customer ExAlt Trusts, which are consolidated by Ben, result in the recognition of additional noncontrolling interest representing the interests in these new Customer ExAlt Trusts held by the Charitable Beneficiaries. For the three months ended September 30, 2026 and 2025, $0.2 million and nil, respectively, of additional noncontrolling interests were recognized. For the six months ended September 30, 2026 and 2025, $0.4 million and $0.3 million, respectively, of additional noncontrolling interests were recognized.

The interests of the Charitable Beneficiaries in the Customer ExAlt Trusts are recorded on the consolidated statements of financial condition in the noncontrolling interests line item.

Class A of CT Risk Management, L.L.C.

On April 1, 2022, a minority interest in the Class A membership of CT, a consolidated VIE of Ben (as further discussed in Note 13), was sold to the third-party. The holder is entitled to distributions first on a pro rata basis with other Class A members until the initial capital contributions are received and 2.0% of any amounts in excess of their capital contributions, to the extent such amounts are available. This interest is recorded on the consolidated statements of financial condition in the noncontrolling interests line item; however, for both September 30, 2026 and March 31, 2026, the balance is nil.

10. Net Income (Loss) per Share

Basic net income (loss) attributable to Beneficient per common share for the three and six months ended September 30, 2026 and 2025, is as follows:

(Dollars in thousands, except per share amounts)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss)	$ (39,370)	$ (17,907)	$ (39,747)	$ (110,555)
Plus: Net (income) loss attributable to noncontrolling interests	22,296	18,971	20,798	51,167
Less: Noncontrolling interest guaranteed payment	(4,982)	(4,693)	(9,890)	(9,317)
Net income (loss) attributable to Beneficient common shareholders	(22,056)	(3,629)	(28,839)	(68,705)
Less: Net (income) loss to all participating securities	—	—	—	—
Net income (loss) attributable to Beneficient common shareholders	$ (22,056)	$ (3,629)	$ (28,839)	$ (68,705)
Net income (loss) attributable to Class A common shareholders	$ (3,141)	$ (3,539)	$ (3,873)	$ (66,950)
Net income (loss) attributable to Class B common shareholders	$ (45)	$ (90)	$ (59)	$ (1,755)
Basic weighted average of common shares outstanding				
Class A	2,107,404	1,180,640	1,968,697	1,140,966
Class B	29,908	29,908	29,908	29,908
Basic net income (loss) attributable to Beneficient per common share				
Class A	$ (1.49)	$ (3.00)	$ (1.97)	$ (58.68)
Class B	$ (1.49)	$ (3.00)	$ (1.97)	$ (58.68)

For the three and six months ended September 30, 2026, the Company was in a net loss position and the diluted EPS calculation for the Beneficient common shareholders is the same as basic EPS per common share disclosed above for that period. Diluted EPS for the Class A shareholders is $(1.49) and diluted EPS for the Class B shareholders is $(1.49) for the three months ended September 30, 2026. Diluted EPS for the Class A shareholders is $(1.97) and diluted EPS for the Class B

shareholders is $(1.97) for the six months ended September 30, 2026.

For the three and six months ended September 30, 2025, the Company was in a net loss position and the diluted EPS calculation for the Beneficient common shareholders is the same as basic EPS per common share disclosed above for that period. Diluted EPS for the Class A shareholders is $(3.00) and diluted EPS for the Class B shareholders is $(3.00) for the three months ended September 30, 2025. Diluted EPS for the Class A shareholders is $(58.68) and diluted EPS for the Class B shareholders is $(58.68) for the six months ended September 30, 2025.

Shares of Class A Common Issued In Limited Conversion

The shares of Class A common stock issued in the Limited Conversion are subject to forfeiture and are therefore considered contingently returnable shares. As a result, such shares are excluded from basic earnings per share until the forfeiture contingency is resolved.

Because the shares are entitled to non-forfeitable dividends and undistributed earnings, they are considered participating securities, and the two-class method has been applied. For diluted earnings per share, the shares are included in the diluted share count to the extent they would remain outstanding based on the Company's stock price at the end of the reporting period, if dilutive.

In computing diluted net income (loss) per share, we considered potentially dilutive shares. Anti-dilutive shares not recognized in the diluted net loss per share calculation for the three and six months ended September 30, 2026 and 2025, were as follows:

	Shares		Shares	
	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Series B Preferred Stock	16,339,533	4,897,237	14,572,386	4,502,653
Contingently Returnable Common Stock	12,661,787	—	12,661,787	—
Class S Ordinary	8,384	8,373	8,384	8,373
Class S Preferred	84	76	84	76
Preferred Series A Subclass 0	104,206,142	86,400,290	85,905,343	94,327,033
Preferred Series A Subclass 1	313,651,450	278,047,500	258,567,632	303,556,802
Restricted Stock Units	174,126	178,188	174,126	177,881
Stock Options	25,000	25,000	25,000	25,000
Warrants	204,267	204,267	204,267	204,267
Total anti-dilutive shares	447,270,773	369,760,931	372,119,009	402,802,085

Warrants

The disclosed amount of anti-dilutive securities for the warrants does not consider the assumed proceeds under the treasury stock method as the exercise price was greater than the average market price of the Class A common stock, which results in negative incremental shares, that would be anti-dilutive.

11. Income Taxes

The components of income tax expense for the three and six months ended September 30, 2026 and 2025, were as follows:

(Dollars in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Current expense				
Federal	$ 2	$ 36	$ 2	$ 36
State	20	7	20	7
Deferred expense				
Federal	—	—	—	—
State	—	—	—	—
Income tax expense	$ 22	$ 43	$ 22	$ 43

As of September 30, 2026, certain consolidated subsidiaries have not filed certain income tax returns, including partnership returns for certain consolidated entities, for fiscal years 2024 and 2025. Management is working to complete and file the delinquent returns. The ultimate amount of taxes, interest, and penalties, if any, could differ from amounts recorded. The Company cannot presently estimate the range of reasonably possible additional loss, if any, associated with these matters.

12. Related Parties

The Company considers its employees, directors, as well as beneficial owners of more than 5% of any class of the Company's voting securities to be related parties. A "Related Entity" or "Related Entities" include certain trusts that are directly or indirectly controlled by, or operate for the benefit of, Mr. Heppner or his family, and those entities directly or indirectly held by, or that are under common control with, such trusts, and in which he and his family members are among classes of economic beneficiaries, whether or not Mr. Heppner is entitled to economic distributions from such trusts. Mr. Heppner is a beneficiary of the trust that is the sole shareholder of BHI. Mr. Heppner resigned as Chief Executive Officer and Chairman of the Board on June 19, 2025; however, Mr. Heppner continues to control, either directly or indirectly, a significant amount of other equity interests in the Company and its subsidiaries.

Services Agreement with Bradley Capital Company, L.L.C.

BCG and BCH entered into an agreement with Bradley Capital Company, L.L.C. ("Bradley Capital") and Beneficient Management Counselors, L.L.C. effective June 1, 2017 (the "Bradley Capital Agreement"), which was then amended and restated effective January 1, 2022 (the "A&R Bradley Capital Agreement"). Bradley Capital is a Related Entity. On June 7, 2023 BCG's existing Bradley Capital Agreement, was replaced by a Second Amended and Restated Services Agreement (the "Second A&R Bradley Capital Agreement") with the Company as a party. The Second A&R Bradley Capital Agreement is substantially similar to the then existing Bradley Capital Agreement, subject to certain changes as follows.

Under the Second A&R Bradley Capital Agreement, Bradley Capital is entitled to a base fee of $0.5 million per quarter for executive level services provided by an executive of Bradley Capital, who was our Chief Executive Officer and Chairman of our Board, until his resignation on June 19, 2025, together with a current supplemental fee of $0.2 million per quarter for administrative and financial analysis, with each fee remaining subject to an annual inflation adjustment. The base fee under the Second A&R Bradley Capital Agreement may be increased by the provider up to two times the initial base fee per quarter to cover increases in the cost of providing the services, or in the event of an expansion of the scope of the services, with the approval of the Executive Committee of our Board subsequent to June 7, 2023, of which our former CEO and Chairman was a member and Chairman. Our former CEO and Chairman received an annual salary from the Company of $0.2 million and both he and other employees of Bradley Capital could participate in equity incentive plans sponsored by the Company. The Second A&R Bradley Capital Agreement also includes a payment from Ben of $0.2 million per year, paid in equal quarterly installments, to cover on-going employee costs for retired and/or departed employees of predecessor entities prior to September 1, 2017, which on-going costs were assumed by Bradley Capital, as well as a further payment to Bradley Capital in respect of the cost of health and retirement benefits for current employees of Bradley Capital all of which are reimbursed by Ben.

The Second A&R Bradley Capital Agreement requires Ben to reimburse Bradley Capital or its affiliates for taxes, fees, and expenses, including legal fees and related costs, relating to the contributions by affiliates of Bradley Capital of equity or debt interests in Ben to public charitable trusts in connection with the 2017-18 Exchange Trusts, as well as the contribution of beneficial interests in customer trusts administered by Ben. The Second A&R Bradley Capital Agreement further requires that Ben indemnify and hold Bradley Capital harmless against any and all losses, damages, costs, fees and any other expenses

incurred by Bradley Capital such as air travel expenses owed in connection with the operation of the aircraft identified in the Aircraft Sublease (as defined below) for periods prior to January 1, 2022. Additionally, the Company provides office space and access to needed technology systems and telephone services. Payments by Ben to Bradley Capital and its affiliates are guaranteed and subject to enforcement by the state courts in Delaware in the event of default. The term of the Second A&R Bradley Capital Agreement currently extends through December 31, 2026, and is subject to an annual one-year renewal provision thereafter. The Second A&R Bradley Capital Agreement can be terminated by the mutual agreement of the parties, by the unanimous approval of the Executive Committee of the Board, excluding Brad K. Heppner if he is then serving on the Executive Committee or without such approval if the Related Entity no longer holds the lesser of $10.0 million of Ben's securities or 1% of the aggregate fair market value of Ben on both December 31, 2023, or any applicable extension date, and the date of termination. The Second A&R Bradley Capital Agreement expressly states that it shall in no way limit the authority of Board to appoint and remove officers of the Company, including its chief executive officer. The Second A&R Bradley Capital Agreement contains limitation of liability and indemnification provisions to reflect the applicability of the corporation laws of Nevada to Beneficient. No services are currently being provided under this agreement.

During both the three months ended September 30, 2026 and 2025, the Company recognized expenses totaling $0.7 million related to this services agreement. During both the six months ended September 30, 2026 and 2025, the Company recognized expenses totaling $1.4 million related to this services agreement. As of September 30, 2026 and March 31, 2026, $8.2 million and $6.8 million, respectively, was accrued to Bradley Capital related to the employment-related aspects of this services agreement. In addition, prior to the Aircraft Sublease with Bradley Capital discussed below, we also reimbursed Bradley Capital for certain costs, including private travel, for our former chief executive officer, including family members. During both the three and six months ended September 30, 2026 and 2025, the Company paid no amounts related to this services agreement.

In addition to the above, the Company incurred legal fees on behalf of Mr. Heppner under certain indemnification provisions. During the three months ended September 30, 2026 and 2025, these estimated legal fees totaled approximately $0.2 million and $1.8 million, respectively. During the six months ended September 30, 2026 and 2025, these estimated legal fees totaled approximately $0.5 million and $3.7 million, respectively. Substantially all of these legal fees historically have been reimbursed by the directors and officers insurance carriers, though the applicable insurance coverage has now been exhausted.

Aircraft Sublease with Bradley Capital

Effective January 1, 2022 and January 1, 2023, The Beneficient Company Group (USA), L.L.C. ("Beneficient USA"), a subsidiary of BCH, as sublessee, Bradley Capital, as sublessor, and BCG, solely as it relates to the guarantee it makes to Bradley Capital as set forth therein, entered into an Aircraft Sublease Agreement (the "Aircraft Sublease"). Pursuant to the Aircraft Sublease, Bradley Capital subleased the aircraft described therein, without a crew, to Beneficient USA for discrete periods of use. Beneficient USA was required to pay a quarterly rental of $1.4 million plus direct operating expenses incurred for Ben's use of the aircraft. Beneficient USA was also required to provide its own pilot(s) and crew. The term of the Aircraft Sublease was one (1) year. Additionally, BCG agrees to unconditionally guarantee, for the benefit of Bradley Capital, all of the obligations of Beneficient USA to Bradley Capital under the Aircraft Sublease. The Aircraft Sublease expired on January 1, 2024.

No amounts have been paid to Bradley Capital related to the Aircraft Sublease through September 30, 2026. As of each of September 30, 2026 and March 31, 2026, $10.8 million of accrued costs related to the sublease is reflected in the accounts payable and accrued expenses line item on the consolidated statements of financial condition.

As discussed below, BHI, a Related Entity, entered into a Contribution Agreement with BCH and BCG pursuant to which BHI agreed to reimburse BCG for a significant portion of the costs incurred by Beneficient USA under the Aircraft Sublease.

Relationship with Beneficient Holdings, Inc.

Beneficient USA, a subsidiary of BCH, entered into with BHI, a Related Entity, a Services Agreement effective July 1, 2017 (the "BHI Services Agreement"). BHI pays an annual fee of $30,000 to Ben for the provision of trust administration services for Related Entities and all trusts affiliated with its family trustee as that term is defined in the governing documents for a Related Entity. Beneficient USA also is required to provide any other services requested by BHI, subject to any restrictions in the operating agreement of BHI, at cost. The term of the BHI Services Agreement extends for the longer of (i) five years past the expiration or termination of the Bradley Capital Agreement, or (ii) seven years after the family trustee of the Related Entity is no longer a primary beneficiary of any trust affiliated with the family trustee. The BHI Services Agreement was terminated by the Company on January 17, 2026 for non-payment of services following a 60-day cure period as required by the BHI Services Agreement. The Company recognized nominal income during the three and six months ended September 30, 2025 in accordance with the BHI Services Agreement. No income was recognized for periods subsequent to the termination of the BHI Services Agreement.

In conjunction with the execution of the Aircraft Sublease, BHI, a Related Entity, BCH, and BCG entered into a Contribution Agreement effective as of January 1, 2022 and January 1, 2023 (the "Contribution Agreement"). Pursuant to the Contribution Agreement, BHI agrees to pay to BCH any amounts paid by BCH during the quarter for the use of an aircraft under the Aircraft Sublease, or any similar lease or sublease, which would include the quarterly rental under the Aircraft Sublease. In addition, BHI agrees to pay to BCH any amounts paid related to fixed monthly or quarterly costs incurred in connection with such aircraft lease or sublease in an amount not to exceed $250,000 per year. These payments are conditioned upon, among other things, BCH's timely payment to BHI of the guaranteed payment to be made to holders of BCH Preferred A-0 for the respective quarter, for which payments have not occurred. There have been no contributions from BHI related to this agreement, which is expected and will continue to occur until the guaranteed payments to BCH Preferred A-0 holders are no longer deferred.

BHI owns the majority of the Company's Class B common stock, and the BCH Class S Ordinary Units, BCH Class S Preferred Units, BCH Preferred A-0, BCH Preferred A-1, and FLP Subclass 1 and Subclass 3 Unit Accounts issued by BCH.

HCLP Nominees, L.L.C.

HCLP is an indirect subsidiary of Highland Consolidated, L.P. ("Highland"). Ben's former Chairman and CEO (who resigned on June 19, 2025) is a beneficiary and trust investment advisor of the trusts that control, and are the partners of, Highland. Loans to and investments with or in the Related Entities have been and may be made by Highland, or its affiliates, as applicable, using proceeds from loan repayments made by Ben to HCLP in its capacity as lender to Ben. Ben is not a party to these loans or other transactions between Highland and the Related Entities, nor has it secured or guaranteed the loans.

Certain of the prior loans include terms that grant Highland the right to transfer the real property that was transferred pursuant to certain in-kind property payment(s) back to certain of the Related Entities, in exchange for a BCH Preferred A-1 capital account balance in BCH in an amount equal to the loan balances satisfied by the in-kind property payment(s), with such exchange to be satisfied from existing BCH Preferred A-1 that are held by such Related Entities.

The Company incurred legal fees estimated to be approximately nil and $0.6 million on behalf of HCLP pursuant to the indemnification obligations under the HCLP credit agreements during the three months ended September 30, 2026 and 2025, respectively. During the six months ended September 30, 2026 and 2025, these estimated legal fees totaled approximately $0.1 million and $1.1 million, respectively.

On July 30, 2025, HCLP delivered written notice that events of default occurred with respect to the Second A&R Agreements and provide that all amounts owed under those agreements are immediately due and payable. Due to Mr. Heppner's conviction and the facts established in the related proceedings, the Company is evaluating the validity of its obligations under the Second A&R Agreements and the liens securing the HCLP Loan and is considering all options that it may pursue related to this conduct, including counter claims and litigation against Mr. Heppner, HCLP and any direct or indirect control parties of HCLP.

Relationship with The Heppner Endowment for Research Organizations, L.L.C. ("HERO") and Research Ranch Operating Company, L.L.C. ("RROC").

HERO and RROC are indirectly owned by The Highland Investment Holdings Trust, The Highland Great Plains Trust and The Highland Partner Holdings Trust. Mr. Heppner is a permissible beneficiary of The Highland Investment Holdings Trust and The Highland Partner Holdings Trust, but he is not a beneficiary of The Highland Great Plains Trust. Mr. Heppner's family members are potential beneficiaries of each of these three trusts. HERO was created (i) to serve as an advisor to National Philanthropic Trust ("NPT"), an unrelated third-party charitable organization, regarding the disbursement of grants to qualifying organizations, and (ii) to serve as an advisor to NPT regarding the administration of charitable contributions made for the benefit of such qualifying organizations. Although HERO can advise on these matters, NPT possessed all final decision-making authority on charitable contributions and complete control over the proceeds received by the charitable organizations. The charitable accounts administered by NPT ("Charitable Accounts"), the beneficiaries of which have historically been multiple Texas universities, have historically received proceeds from certain trusts settled and funded by Customers of Ben, in support of their charitable initiatives. HERO does not receive any proceeds from trusts settled and funded by Customers of Ben.

RROC's purpose is to provide funding and operational support for the research activities conducted by the qualified charities. The funding received by RROC, from proceeds of trusts settled and funded by Customers of Ben, may be used, in RROC's discretion, to (i) provide appropriate facilities and properties for the charitable organizations to utilize as part of their charitable initiatives (those properties and facilities being owned by a Related Entity), and (ii) provide fee revenue to RROC. RROC is granted such rights and authority pursuant to trust instruments entered into between a Customer and subsidiaries of Ben as well as an agreement with NPT. Ben's subsidiaries provide financing to the Customer ExAlt Trusts and Ben is paid as an agent of the trustees for administrative services it provides to the trusts. Ben has certain outstanding payables, including accrued interest, to RROC and the Charitable Accounts (for the benefit of the Texas universities as discussed above) of $2.5

million and $2.4 million as of September 30, 2026 and March 31, 2026, respectively. There were no payments made during the three and six months ended September 30, 2026 and 2025. Due to changes in the Customer ExAlt Trust agreements, no incremental amounts are expected to be allocated to RROC or the Charitable Accounts other than those amounts already provided by certain prior trust agreements.

Beneficient Heartland Foundation, Inc.; Initial Charitable Initiative

In connection with each of Ben's liquidity transactions following the adoption of the TEFFI legislation and BFF's receipt of a fully-operational trust company charter under the Kansas TEFFI Act, pursuant to Section 28 of the TEFFI Act, a "Qualified Distribution" is made for the benefit of certain economic growth zones and rural communities in the State of Kansas (each, a "Charitable Distribution"). In January 2022, Ben announced its initial $15.4 million Charitable Distribution. The Charitable Distribution was allocated as follows: $2.7 million of cash for the benefit of, and to be received by, the Kansas Department of Commerce to be used at the department's discretion for development projects and the promotion and growth of the TEFFI industry in Kansas; $0.2 million of cash and assets for the benefit of public charities dedicated to economic development within Mr. Heppner's hometown of Hesston, Kansas, and surrounding Harvey County, Kansas, as outlined in the TEFFI Act; and $12.5 million in cash and assets to the Beneficient Heartland Foundation, Inc. ("BHF") as described below. Mr. Heppner's hometown is Hesston, Kansas and certain of his family members continue to live and/or work in Hesston and other areas of Harvey County, Kansas and may be considered to be direct and indirect beneficiaries of the portions of the initial Charitable Distribution provided to Hesston and Harvey County and to BHF.

On January 20, 2022, BHF was formed as a Kansas nonprofit corporation to receive economic growth contributions pursuant to the TEFFI legislation. BHF is currently governed by an eleven-member board of directors, seven of whom are community leaders within the Hesston, Kansas community and four of whom are Ben employees or individuals otherwise affiliated with Ben. BHF is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Its purpose is to provide grants and other support to benefit growth, development and expansion of opportunities in rural Kansas communities with populations of 5,000 residents or less, including job and income growth, main street revitalization, educational facility improvements, construction and development, healthcare facility enhancements, senior facility improvements, and support for post-secondary institutions. BHF has the exclusive decision-making authority over all of the economic growth contributions it receives.

BFF is the sole member of BHF and, prior to an amendment to the bylaws in July 2025 described below, had the right to appoint up to eleven members of BHF's board of directors. The remaining two board members were appointed by BMC. On July 21, 2025, the bylaws of BHF were amended to remove the directors appointed by BMC, eliminate the board appointment rights of BMC, and change the composition of the BHF board of directors to eleven members from the community and two members, who are Ben employees. Pursuant to the requirements of the Internal Revenue Code, BFF's governing documents prohibit any of BHF's assets or earnings from inuring to the benefit of BFF, BMC, or any director, officer or other private individual.

In April 2026, Beneficient Heartland Foundation, Inc. was renamed to Kansas Horizon Foundation, Inc.

The Kansas TEFFI Economic Growth Trust

The Kansas Economic Growth Trust (the "EGT") is a common law trust formed on December 7, 2021 by and between an individual as independent trustee, Ben Custody as administrator, and BCH as advisor. The purpose of the EGT is to receive the proceeds of the Customer ExAlt Trusts that are allocable to the Charitable Beneficiaries and to allocate such proceeds between the Kansas Department of Commerce and qualified charitable organizations (including the Beneficient Heartland Foundation, Inc.) in accordance with the requirements of the TEFFI legislation. The proceeds received by the EGT are dedicated exclusively to charitable purposes and the trust agreement prohibits any of the EGT's assets or earnings from inuring to the benefit of Ben Custody, BCH, any director, officer or other private individual. As noted above, Ben Custody provides administrative and accounting services to the EGT, and BCH serves as advisor to the trustee with respect to the administration and distribution of the trust. Neither Ben Custody nor BCH charges a fee for these services.

Ben has an outstanding payable to EGT of $0.2 million and $0.2 million as of September 30, 2026 and March 31, 2026, respectively. Ben paid $0.1 million and $0.3 million during the three and six months ended September 30, 2026, compared to $0.9 million and $1.3 million for the same periods of 2025, respectively, related to allocable proceeds to Charitable Beneficiaries. Additionally, during the year ended March 31, 2023, Ben sold its Kansas properties to the EGT in exchange for a $1.4 million promissory note, which is in the other assets line item on the consolidated statements of financial condition as of September 30, 2026 and March 31, 2026. The EGT made a prepayment on the promissory note of $0.2 million during the year ended March 31, 2025, principally in return for the promissory note being extended by two years, until September 30, 2028.

Hicks Holdings, L.L.C.

Hicks Holdings, L.L.C., an entity associated with one of Ben's former and current directors, is one of the owners and serves as the manager of a limited liability company ("SPV"). A Related Entity also has ownership in the SPV. The SPV holds BCH Preferred A-0 and BCH Preferred A-1 among its investment holdings. Hicks Holdings, L.L.C. is also the sole member of HH-BDH, the lender on outstanding term loans with a subsidiary of Ben.

Hicks Holdings Operating, LLC ("Hicks Holdings"), an entity associated with one of Ben's former and current directors, has historically held BCH Preferred A-0, BCH Preferred A-1, BCH Class S Ordinary Units, BCH Class S Preferred Units and Class B common stock of Beneficient. Hicks Holdings was granted its BCH Preferred A-1 and BCH Class S Ordinary Units as compensation for services provided in 2018. Hicks Holdings was granted its BCH Preferred A-0 when a portion of the existing BCH Preferred A-1 converted to BCH Preferred A-0 in 2021. Hicks Holdings converted a portion of its existing BCH Preferred A-1 to BCG Class B Common Units in connection with the recapitalization of BCG as part of our Business Combination in June 2023. In connection with the letter agreement described below, in October 2023, Hicks Holdings assigned the BCH Preferred A-0, BCH Preferred A-1, BCH Class S Ordinary Units, and BCH Class S Preferred Units to HH-BDH. As discussed in Note 9, on October 15, 2025, all of the BCH Preferred A-1 held by HH-BDH was converted to 11,560,705 shares of Class A common stock. HH-BDH also received 149,904 shares of Class A common stock in March 2026 in partial settlement of accrued interest and fees owed under the HH-BDH Credit Agreement. The total preferred equity of BCH, BCH Class S Preferred Units and BCH Class S Ordinary Units balance as of September 30, 2026 and March 31, 2026, was $15.2 million (amounts disclosed here are based on their GAAP capital accounts). Additionally, Hicks Holdings held 2,066 shares of Class B common stock as of September 30, 2026 and March 31, 2026.

The Company has outstanding payable amounts primarily related outstanding interest and fees under the HH-BDH Credit Agreement totaling approximately $1.0 million and $1.0 million as of September 30, 2026 and March 31, 2026, respectively, which is reflected in the other liabilities line item in the consolidated statement of financial condition. The remaining outstanding interest and fees under the HH-BDH Credit Agreement were to be paid within five business days following September 30, 2026, however, effective October 7, 2026, we entered into an amendment to the 2026 Letter Agreement to extend the deadline for the $1.0 million cash payment to HH-BDH until March 31, 2027.

Letter Agreement with Hicks Holdings

In connection with the HH-BDH Credit Agreement and the Financing, on October 19, 2023, the Guarantor, Ben LLC, and Hicks Holdings entered into a letter agreement (the "2023 Letter Agreement"). In connection with the Financing, Hicks Holdings agreed to assign to HH-BDH (which is wholly-owned by Hicks Holdings) all of its rights, title and interest in and to the following partnership interests of the Guarantor: BCH Preferred A-0 with a capital account balance of $15.3 million as of June 30, 2023, BCH Preferred A-1 with a capital account balance of $48.1 million as of June 30, 2023, 1 BCH Class S Preferred Units and 455 BCH Class S Ordinary Units held by HH-BDH (the "Pledged Guarantor Interests"). Hicks Holdings' membership interest in HH-BDH (collectively with the Pledged Guarantor Interests, the "Pledged Equity Interests") and the Pledged Guarantor Interests serve as collateral for the Financing (together, the "Lender Pledge").

Pursuant to the terms of the 2023 Letter Agreement, the parties thereto agreed that if the Borrower and/or Guarantor default under the HH-BDH Credit Agreement and such default results in a foreclosure on, or other forfeiture of, the Pledged Equity Interests, the Guarantor will promptly issue to Hicks Holdings, BCH Preferred A-0 with a capital account balance of $15.3 million, BCH Preferred A-1 with a capital account balance of $48.1 million (subsequently converted to Class A common stock as described in Note 9), 1 BCH Class S Preferred Units and 455 BCH Class S Ordinary Units (subject to a tax gross-up as provided in the 2023 Letter Agreement), or, in the discretion of Hicks Holdings, equivalent securities of equal fair market value to the value of the security interests at the time of the applicable foreclosure or other loss (such newly issued equity interests referred to as the "Replacement Equity Interests"); provided, however that, if less than all Pledged Equity Interests have been foreclosed on or forfeited, the foregoing capital account balances and numbers of units comprising the Replacement Equity Interests shall be reduced on a class-by-class and subclass-by-subclass basis, as applicable, to the extent necessary to ensure that Hicks Holdings and its affiliates do not receive additional value relative to the value held by Hicks Holdings and its affiliates immediately prior to the foreclosure or forfeiture. Furthermore, Ben LLC shall cause a Ben LLC Unit (as defined in the BCH LPA) to be issued for each BCH Class A Unit issued to the Hicks Holdings pursuant to the 2023 Letter Agreement. Additionally, the Guarantor agreed to indemnify Hicks Holdings and its affiliates and hold each of them harmless against any and all losses which may arise directly or indirectly in connection with, among other things, the HH-BDH Credit Agreement, the Term Loan, the Financing and the Lender Pledge. In connection with the repayment in January 2026 described in Note 7 of all outstanding principal amounts and related interest owed on the third-party financing that HH-BDH used to fund the amounts borrowed by the Company under the HH-BDH Credit Agreement, the Pledged Guarantor Interests are no longer required to serve as collateral for the remaining interest and fees owed to HH-BDH.

Consulting agreements with certain Board members

During fiscal 2024, the Company entered into consulting agreements with certain non-management Board members. Pursuant to the consulting agreements, Thomas O. Hicks (a Board member through December 2025), Richard W. Fisher (a Board member through March 2024) and Bruce W. Schnitzer agreed to mentor, advise and support Beneficient and its related entities regarding its business of providing services, insurance, liquidity and financing for alternative asset holders and each receive an annual cash fee of $150,000 per year. Such consulting fee is in addition to the annual cash retainer these Board members receive under the director compensation program. For each consulting agreement, the associated expense is recognized ratably each month over the annual term.

Mr. Tom Hicks passed away on December 6, 2025 and thus his above referenced consulting agreement terminated during fiscal 2026. Mr. Schnitzer and the Company mutually agreed to terminate his consulting agreement effective April 1, 2026, though Mr. Schnitzer continues to serve on our Board and certain committees of the Board.

13. Variable Interest Entities

In accordance with ASC 810, an enterprise is determined to be the primary beneficiary of a VIE if it holds a controlling financial interest. A controlling financial interest is defined as (a) the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. The consolidation guidance requires an analysis to determine (a) whether an entity in which Ben holds a variable interest is a VIE and (b) whether Ben's involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests (for example, management and performance-related fees), would give it a controlling financial interest. The performance of that analysis requires the exercise of judgment. Based on management's analysis, there are no VIEs that require consolidation, other than those described below.

VIEs for Which the Company is the Primary Beneficiary

CT Risk Management, L.L.C.

CT was created to reduce the impact of a potential market downturn on the interests in alternative assets held by the Customer ExAlt Trusts that collateralize the loans receivable from the Customer ExAlt Trusts held by BFF, or other Ben entities (such loans receivable are eliminated solely for financial reporting purposes in our consolidated financial statements) by distributing any potential profits to certain of the Customer ExAlt Trusts thereby offsetting any reduction in the value of the alternative assets. The Company concluded that BFF is the primary beneficiary of CT. Accordingly, the results of CT are included in the Company's consolidated financial statements.

As of September 30, 2026 and March 31, 2026, the consolidated statements of financial condition include assets of this consolidated VIE with a carrying value of nil.

Customer ExAlt Trusts

The Company determined that all of the Customer ExAlt Trusts used in connection with its operations are VIEs of which Ben is the primary beneficiary as defined under ASC 810. The Company concluded that it is the primary beneficiary of the Customer ExAlt Trusts as it has the power to direct the most significant activities and has an obligation to absorb potential losses of the Customer ExAlt Trusts. Accordingly, the results of the Customer ExAlt Trusts are included in the Company's consolidated financial statements. Although the Company is deemed to be the primary beneficiary of the Customer ExAlt Trusts for purposes of ASC 810, it is neither designated as a beneficiary under the trust agreements nor recognized as a beneficiary of such trusts under applicable state trust law. The assets of the Customer ExAlt Trusts may only be used to settle obligations of the Customer ExAlt Trusts. Other than potentially funding capital calls above the related reserve (refer to Note 16), there is no recourse to the Company for the Customer ExAlt Trusts' liabilities. The cash flows generated by these VIEs are included within the Company's consolidated statements of cash flows.

The consolidated statements of financial condition includes the following amounts from these consolidated VIEs as of the dates presented:

(Dollars in thousands)	September 30, 2026	March 31, 2026
Assets:		
Cash and cash equivalents	$ 4,964	$ 2,186
Investments, at fair value	201,049	195,536
Other assets	83	264
Total Assets of VIEs	$ 206,096	$ 197,986
Liabilities:		
Accounts payable and accrued expense	$ 3,002	$ 3,026
Other liabilities	146	136
Total Liabilities of VIEs	$ 3,148	$ 3,162
Equity:		
Treasury stock	$ (3,444)	$ (3,444)
Noncontrolling interests	(227,254)	(228,743)
Accumulated other comprehensive income	614	54
Total Equity of VIEs	$ (230,084)	$ (232,133)

The consolidated statements of comprehensive income (loss) for the periods presented include the following amounts from these consolidated VIEs:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
(Dollars in thousands)				
Revenues				
Investment income (loss), net	$ (13,834)	$ (3,162)	$ 2,041	$ (15,938)
Gain (loss) on financial instruments, net	3,023	379	3,004	304
Total revenues	(10,811)	(2,783)	5,045	(15,634)
Operating expenses				
Professional services	255	621	541	1,028
Other expenses	17	471	17	865
Total operating expenses	272	1,092	558	1,893
Net income (loss)	$ (11,083)	$ (3,875)	$ 4,487	$ (17,527)
Net income (loss) attributable to noncontrolling interests	$ (117)	$ (9,780)	$ 1,402	$ (25,992)

14. Segment Reporting

The Company has three reportable segments consisting of Ben Liquidity, Ben Custody and Customer ExAlt Trusts. As additional products and services are offered in the future, we expect to have additional reportable segments, including Ben Insurance Services and Ben Markets.

As the central operating hub of the company, Ben Liquidity is responsible for offering Ben's fiduciary alternative asset liquidity and financing products through AltAccess. Ben Custody delivers products that address the administrative and regulatory burden of holding alternative assets by offering full service bespoke custody and trust administration services, and specialized document custodian services to Customers. Certain of Ben's operating subsidiary products and services involve or are offered to certain of the Customer ExAlt Trusts. Certain of the Customer ExAlt Trusts hold interests in alternative assets and therefore recognize changes in such assets' net asset value in earnings. Certain other Customer ExAlt Trusts pay interest on the ExAlt Loans to Ben Liquidity and transaction fees to Ben Liquidity and Ben Custody in connection with the liquidity transactions, and pay fees to Ben Custody for providing full-service trust administration services to the trustees of the Customer ExAlt Trusts. The amounts paid to Ben Liquidity and Ben Custody are eliminated solely for financial reporting purposes in our consolidated financial statements but directly impact the allocation of income (loss) to Ben's and BCH's equity holders.

The Corporate & Other category includes the following items, among others:

- Equity-based compensation;
- Gains (losses) on changes in the fair value of interests in the GWG Wind Down Trust held by Ben, warrants accounted for at fair value issued by Ben, and derivative asset recognized as part of the Limited Conversion accounted for at fair value;
- Interest expense incurred on the corporate related debt transactions; and
- Operations of Ben Insurance Services and Ben Markets that are not considered reportable segments as they do not meet the quantitative criteria to be separately reported.

The Corporate & Other category also consists of unallocated corporate overhead and administrative costs.

These segments are differentiated by the products and services they offer as well as by the information used by the Company's chief operating decision maker ("CODM") to determine allocation of resources and assess performance. Our chief executive officer is the CODM. Operating income (loss) is the measure of profitability used by management to assess the performance of its segments and allocate resources. Performance is measured by the Company's CODM on an unconsolidated basis because management makes operating decisions and assesses the performance of each of the Company's business segments based on financial and operating metrics and data that exclude the effects of consolidation of any of the Customer ExAlt Trusts.

The following tables include the results of each of the Company's reportable segments reconciled to the consolidated financial statements (in thousands):

	Three Months Ended September 30, 2026					
	Ben Liquidity	**Ben Custody**	**Customer ExAlt Trusts**	**Corporate & Other**	**Consolidating Eliminations**	**Total**
External revenues						
Investment income (loss), net	$ —	$ —	$ (13,834)	$ —	$ —	$ (13,834)
Gain (loss) on financial instruments, net	—	—	3,023	(14,570)	—	(11,547)
Interest and dividend income	—	—	—	10	—	10
Trust services and administration revenues	—	85	—	—	—	85
Intersegment revenues						
Interest income	8,664	—	—	—	(8,664)	—
Trust services and administration revenues	—	2,587	—	—	(2,587)	—
Total revenues	8,664	2,672	(10,811)	(14,560)	(11,251)	(25,286)
External expenses						
Employee compensation and benefits	534	685	—	1,572	—	2,791
Interest expense	2,772	—	—	1,934	—	4,706
Professional services, net	129	90	255	3,019	—	3,493
Loss on impairment of goodwill	—	1,479	—	—	—	1,479
Other expenses	318	220	10	1,045	—	1,593
Intersegment expenses						
Interest expense	—	—	41,593	—	(41,593)	—
Provision for (recovery of) credit losses	22,210	—	—	—	(22,210)	—
Other expenses	—	—	2,587	—	(2,587)	—
Total expenses	25,963	2,474	44,445	7,570	(66,390)	14,062
Operating income (loss)	$ (17,299)	$ 198	$ (55,256)	$ (22,130)	$ 55,139	$ (39,348)

	Three Months Ended September 30, 2025					
	Ben Liquidity	**Ben Custody**	**Customer ExAlt Trusts**	**Corporate & Other**	**Consolidating Eliminations**	**Total**
External revenues						
Investment income (loss), net	$ —	$ —	$ (3,162)	$ —	$ —	$ (3,162)
Gain (loss) on financial instruments, net	—	—	379	(168)	—	211
Interest and dividend income	—	—	—	10	—	10
Trust services and administration revenues	—	178	—	—	—	178
Intersegment revenues						
Interest income	8,497	—	—	—	(8,497)	—
Trust services and administration revenues	—	2,903	—	—	(2,903)	—
Total revenues	8,497	3,081	(2,783)	(158)	(11,400)	(2,763)
External expenses						
Employee compensation and benefits	248	499	—	1,682	—	2,429
Interest expense	3,169	—	—	1,729	—	4,898
Professional services, net	196	109	622	4,404	—	5,331
Other expenses	209	181	471	1,582	—	2,443
Intersegment expenses						
Interest expense	—	—	37,853	—	(37,853)	—
Provision for credit losses	5,496	—	—	—	(5,496)	—
Other expenses	—	—	2,903	—	(2,903)	—
Total expenses	9,318	789	41,849	9,397	(46,252)	15,101
Operating income (loss)	$ (821)	$ 2,292	$ (44,632)	$ (9,555)	$ 34,852	$ (17,864)

	Six Months Ended September 30, 2026					
	Ben Liquidity	Ben Custody	Customer ExAlt Trusts	Corporate & Other	Consolidating Eliminations	Total
External revenues						
Investment income (loss), net	$ —	$ —	$ 2,041	$ —	$ —	$ 2,041
Gain (loss) on financial instruments, net	—	—	3,004	(18,317)	—	(15,313)
Interest and dividend income	—	—	—	20	—	20
Trust services and administration revenues	—	131	—	—	—	131
Intersegment revenues						
Interest income	16,879	—	—	—	(16,879)	—
Trust services and administration revenues	—	5,041	—	—	(5,041)	—
Total revenues	16,879	5,172	5,045	(18,297)	(21,920)	(13,121)
External expenses						
Employee compensation and benefits	1,088	1,346	—	3,184	—	5,618
Interest expense	5,510	—	—	3,766	—	9,276
Professional services, net	693	380	542	5,364	—	6,979
Loss on impairment of goodwill	—	1,479	—	—	—	1,479
Other expenses	704	419	10	2,119	—	3,252
Intersegment expenses						
Interest expense	—	—	81,677	—	(81,677)	—
Provision for (recovery of) credit losses	18,829	—	—	—	(18,829)	—
Other expenses	—	—	5,040	—	(5,040)	—
Total expenses	26,824	3,624	87,269	14,433	(105,546)	26,604
Operating income (loss)	$ (9,945)	$ 1,548	$ (82,224)	$ (32,730)	$ 83,626	$ (39,725)

	Six Months Ended September 30, 2025					
	Ben Liquidity	Ben Custody	Customer ExAlt Trusts	Corporate & Other	Consolidating Eliminations	Total
External revenues						
Investment income (loss), net	$ —	$ —	$ (15,938)	$ —	$ —	$ (15,938)
Gain (loss) on financial instruments, net	—	—	304	(138)	—	166
Interest and dividend income	—	—	—	20	—	20
Trust services and administration revenues	—	366	—	—	—	366
Intersegment revenues						
Interest income	17,332	—	—	—	(17,332)	—
Trust services and administration revenues	—	6,898	—	—	(6,898)	—
Total revenues	17,332	7,264	(15,634)	(118)	(24,230)	(15,386)
External expenses						
Employee compensation and benefits	632	1,146	—	3,982	—	5,760
Interest expense	6,515	—	—	1,798	—	8,313
Professional services, net	810	318	1,028	11,132	—	13,288
Release of loss contingency related to arbitration award	—	—	—	62,831	—	62,831
Other expenses	448	380	865	3,241	—	4,934
Intersegment expenses						
Interest expense	—	—	74,998	—	(74,998)	—
Provision for credit losses	15,765	—	—	—	(15,765)	—
Other expenses	—	—	6,083	—	(6,083)	—
Total expenses	24,170	1,844	82,974	82,984	(96,846)	95,126
Operating income (loss)	$ (6,838)	$ 5,420	$ (98,608)	$ (83,102)	$ 72,616	$ (110,512)

	As of September 30, 2026					
	Ben Liquidity	Ben Custody	Customer ExAlt Trusts	Corporate & Other	Consolidating Eliminations	Total
Loans to Customer ExAlt Trusts, net	$ 172,331	$ —	$ —	$ —	$ (172,331)	$ —
Investments, at fair value	—	—	201,049	—	—	201,049
Other assets	2,034	24,388	17,622	10,631	(36,878)	17,797
Goodwill	—	5,990		2,445	—	8,435
Total Assets	$ 174,365	$ 30,378	$ 218,671	$ 13,076	$ (209,209)	$ 227,281

	As of March 31, 2026					
	Ben Liquidity	Ben Custody	Customer ExAlt Trusts	Corporate & Other	Consolidating Eliminations	Total
Loans to Customer ExAlt Trusts, net	$ 169,684	$ —	$ —	$ —	$ (169,684)	$ —
Investments, at fair value	—	—	195,536	—	—	195,536
Other assets	464	20,829	15,542	33,110	(36,623)	33,322
Goodwill	—	7,469	—	2,445	—	9,914
Total Assets	$ 170,148	$ 28,298	$ 211,078	$ 35,555	$ (206,307)	$ 238,772

15. Risks and Uncertainties

The Customer ExAlt Trusts hold investments in alternative assets, public and private equity securities and interests, and debt securities that are exposed to market risk, credit risk, currency risk, and interest rate risk. These investments, whose cash flows serve as the Collateral to the ExAlt Loans, primarily are comprised of alternative assets consisting of private equity limited partnership interests, which are currently primarily denominated in the U.S. Dollar and Euro. The financial statements risks, stemming from such investments, are those associated with the determination of estimated fair values, the diminished ability to monetize certain investments in times of strained market conditions, the recognition of income and recognition of impairments on certain investments.

The portfolio of alternative assets covers the following industry sectors and geographic regions for the periods shown below (dollar amounts in thousands):

	September 30, 2026		March 31, 2026	
Industry Sector	**Value**	**Percent of Total**	**Value**	**Percent of Total**
Food and staples retailing	$ 72,640	43.3 %	$ 65,539	40.3 %
Utilities	16,609	9.9	16,959	10.4
Semiconductors and semiconductor equipment	14,893	8.9	13,348	8.2
Software and services	9,365	5.6	11,412	7.0
Diversified financials	6,704	4.0	9,087	5.6
Other[(1)]	47,377	28.3	46,479	28.5
Total	$ 167,588	100.0 %	$ 162,824	100.0 %

(1) Industries in this category each comprise less than 5 percent. Diversified financials is shown separately as each comprised greater than 5 percent in the prior period.

	September 30, 2026		March 31, 2026	
Geography	**Value**	**Percent of Total**	**Value**	**Percent of Total**
South America	$ 72,479	43.3 %	$ 66,032	40.6 %
North America	65,098	38.8	61,626	37.8
Asia	23,411	14.0	28,512	17.5
Europe	6,586	3.9	6,581	4.0
Africa	14	—	73	0.1
Total	$ 167,588	100.0 %	$ 162,824	100.0 %

The ExAlt Loans, which are eliminated upon consolidation solely for financial reporting purposes, are collateralized by the cash flows originating from the Customer ExAlt Trusts' investments in alternative assets, public and private equity securities, and debt securities, without recourse to the Customer. These ExAlt Loans are a key determinant in income (loss) allocable to Ben's and BCH's equity holders. Ben has underwriting and due diligence procedures and utilizes market rates. Finally, the Customer ExAlt Trusts provide for excess cash flows from a collective pool of alternative assets, public and private equity securities, and debt securities, to be utilized to repay the ExAlt Loans to Ben from the Customer ExAlt Trusts when cash flows from the Customer's original alternative assets are not sufficient to repay the outstanding principal, interest, and fees. Excess cash flows from the collective pool of alternative assets, public and private equity securities, and debt securities, above those needed to satisfy the outstanding principal interest and fees of the ExAlt Loans are available to pay contingent interest to Ben on the ExAlt Loans up to a specified contingent interest rate.

As discussed in Note 1, Ben received a charter from the state of Kansas and established an office in the state of Kansas. If we are unable to maintain the Kansas charter or obtain a charter from another state if we no longer hold the Kansas charter, our ability to affect parts of our business plan, as currently constituted, may be compromised.

In February 2026, the U.S. and Israel launched coordinated military strikes against Iran, which retaliated with missile attacks across the region. In October 2023, following a series of attacks by Hamas on Israeli civilian and military targets, Israel declared war on Hamas in Gaza. In February 2022, the Russian Federation and Belarus commenced a military action with the country of Ukraine and as a result, various nations, including the United States, have instituted economic sanctions against the Russian Federation and Belarus. These ongoing conflicts could have a negative impact on the economy and business activity globally (including in the countries in which the Customer ExAlt Trusts currently holds investments or may hold investments in the future), and therefore, could adversely affect the performance of the Customer ExAlt Trusts' investments.

The extent and impact of any sanctions imposed in connection with the ongoing conflicts between Russia and Ukraine and in the Middle East may cause financial market volatility and impact the global economy. Volatility and disruption in the equity and credit markets can adversely affect the portfolio companies underlying the investments held by the Customer ExAlt Trusts and adversely affect the investment performance. Our ability to manage exposure to market conditions is limited. Market deterioration could cause the Company to experience reduced liquidity, earnings and cash flow, recognize impairment charges, or face challenges in raising capital, and making investments on attractive terms. Adverse market conditions can also affect the ability of investment funds held by the Customer ExAlt Trusts to liquidate positions in a timely and efficient manner. As a result, this presents material uncertainty and risk with respect to the performance of the investments held by the Customer ExAlt Trusts, even though the Customer ExAlt Trusts do not hold any investments with material operations in Russia, Ukraine, Israel or Iran. The cash flows from the investment held by the Customer ExAlt Trusts serve as the collateral to the ExAlt Loans and the fees that are paid by the Customer ExAlt Trusts to Ben for administering these trusts, both of which are key determinants in the income allocated to BCG's and BCH's equity holders.

Further, these events may result in reduced opportunities for future liquidity solution transactions with our Customers and make it more difficult for the Customer ExAlt Trusts to exit and realize value from its existing investments, potentially resulting in a decline in the value of the investments held in the Customer ExAlt Trusts. Such a decline could cause our revenue and net income to decline, including the revenues and net income allocated to BCG's and BCH's equity holders.

The Company continues to evaluate the impact of the ongoing conflicts between Russia and Ukraine and in the Middle East and other items, such as inflation, volatile interest rates, changes in regulatory requirements and tariffs, and assess the impact on financial markets and the Company's business. The Company's future results may be adversely affected by slowdowns in fundraising activity and the pace of new liquidity transactions with our Customers. Management is continuing to evaluate the impact of the conflicts between Russia and Ukraine and in the Middle East and has concluded that while it is reasonably possible that such conflicts could have a negative effect on the Company's financial position and/or results of its operations, the specific impact is not readily determinable as of the date of these consolidated financial statements. Consequently, the consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

16. Commitments and Contingencies

In the normal course of business, we have various outstanding commitments and contingent liabilities that are not reflected in the accompanying consolidated financial statements. There are no significant commitments and contingencies other than those disclosed below. Ben is a party to legal actions incidental to the business. Based on the opinion of legal counsel, management has concluded with regard to all commitments and contingencies disclosed below that either the outcome is not probable or the potential liability cannot be reasonably estimated, or both, in accordance with ASC 450, Contingencies.

Lease Commitments

The Company operates on a month-to-month rental basis for its office premises. Rental expense for our premises for both the three months ended September 30, 2026 and 2025, was nominal. Rental expense for our premises for the six months ended September 30, 2026 and 2025, totaled $0.1 million and $0.1 million, respectively.

Unfunded Capital Commitments

The Customer ExAlt Trusts had $19.8 million and $30.4 million of potential gross capital commitments as of September 30, 2026 and March 31, 2026, respectively, representing potential limited partner capital funding commitments on the interests in alternative asset funds. The Customer ExAlt Trusts holding the interest in the limited partnership for the alternative asset fund is required to fund these limited partner capital commitments per the terms of the limited partnership agreement. Capital funding commitment reserves are maintained by certain of the associated trusts within the ExAlt Plan™ or affiliated entities. To the extent that the associated Customer ExAlt Trust or their affiliated entities cannot pay the capital funding commitment, Ben is obligated to lend sufficient funds to meet the commitment. Any amounts advanced by Ben to the Customer ExAlt Trusts for these limited partner capital funding commitments above the associated capital funding commitment reserves, if any, held by the associated Customer ExAlt Trusts or their affiliated entities are added to the ExAlt Loan balance between Ben and the Customer ExAlt Trusts and are expected to be recouped through the cash distributions from the alternative asset fund that collateralizes such ExAlt Loan.

Capital commitments generally originate from limited partner agreements having fixed or expiring expiration dates. The total limited partner capital funding commitment amounts may not necessarily represent future cash requirements. The majority, or 100%, of our portfolio with an unfunded commitment has a vintage of 2015 and prior. As the vintages continue to age, a cash requirement becomes less likely. We consider the creditworthiness of the investment on a case-by-case basis. At September 30, 2026 and March 31, 2026, there were no reserves for losses on unused commitments to fund potential limited partner capital funding commitments.

Legal Proceedings

Paul Capital Advisors Lawsuit

On February 18, 2022, Paul Capital Advisors ("PCA") filed a lawsuit against MHT, Ben, and two trust advisors (the "Trust Advisors"), Murray Holland (part-owner of MHT and who served as the President and CEO of GWG Holdings beginning in mid-2019 through November 2022) and James Turvey (a former employee of Ben). While Ben was named as a defendant, PCA did not assert claims against or seek relief from Ben but instead only sought the removal and replacement of the Trust Advisors. The lawsuit concerns a set of transactions that utilized a trust structure with MHT as the sole beneficiary.

On April 18, 2022, PCA amended its original complaint. The amended complaint asserted six new causes of action arising out of the same set of transactions, including, (i) purported breaches of contract against Ben, MHT, and the Trust Advisors; (ii) purported fraud against MHT, Ben and certain officers of Ben; and (iii) promissory estoppel against MHT, Ben, and the Trust Advisors. The amended complaint also sought additional relief in the form of (x) damages "in an amount to be proven at trial" and (y) an order granting rescission of an amendment to one of the transaction agreements or a holding declaring it invalid.

On October 3, 2022, the Court entered an order dismissing count I of PCA's complaint in accordance with its memorandum opinion and count II in light of the parties' agreement that it should also be dismissed. On November 1, 2022, defendants filed their opening briefs in support of their motions to dismiss the remaining counts. On December 20, 2022, PCA filed its answering brief in opposition to defendants' motions to dismiss the remaining counts. In accordance with the parties' stipulated briefing schedule, defendants' reply briefs were due by January 24, 2023. Oral argument on the motions to dismiss was held on May 8, 2023. On August 29, 2023, the Court issued a letter opinion that denied defendants' motions to dismiss with respect to most of the remaining counts, explaining that the Court was unwilling to determine the parties' rights under the various agreements at the pleadings stage and that discovery may make these issues ripe for summary judgment. The Court did, however, grant defendants' motions to dismiss as to one of PCA's promissory estoppel claims and its claim for equitable fraud. On October 25, 2023, defendants filed their respective answers to PCA's second amended complaint.

On November 9, 2023, defendants filed a motion to bifurcate, requesting that the Court of Chancery first resolve the threshold issue of PCA's standing under the CVR Contract and Exchange Trust Agreements before proceeding on the merits. On November 29, 2023, PCA filed its opposition to defendants' motion to bifurcate, and on December 8, 2023, defendants filed their reply brief. On June 24, 2024, the Court of Chancery heard oral argument and issued its ruling granting defendants' motion to bifurcate. In its ruling, the Court of Chancery ordered the parties to promptly conduct limited standing-related discovery to allow final resolution of the standing issue on summary judgment.

Defendants intend to vigorously defend against each and every cause of action asserted against them in the second amended complaint. Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of this matter. Given the uncertainty of litigation and the preliminary stage of this claim, we are currently unable to estimate the probability of the outcome of these actions or the range of reasonably possible losses, if any, or the impact on our results of operations, financial condition or cash flows; however, the maximum exposure of the litigation with PCA could be up to $350 million plus costs and expenses.

Equity Awards Arbitration

On December 16, 2022, a former member of the Board of Directors of Beneficient Management, LLC (the "Claimant") initiated a private arbitration in the International Court of Arbitration of the International Chamber of Commerce, challenging the termination of certain equity awards under two incentive plans by the administrator of the incentive plans. The Claimant sought total damages of $36.3 million plus attorney's fees and punitive damages. On April 23, 2024, the sole arbitrator held that in terminating the Claimant's equity awards, the Company had breached its contractual obligations, and as a result, awarded the Claimant $55.3 million in compensatory damages, including pre-judgment interest, plus post-judgment interest (the "Arbitration Award"). Neither attorneys' fees nor punitive damages were awarded to the Claimant. The Company was also asked to pay arbitration-related costs in the amount of approximately $0.1 million. The Company recorded a loss related to the Arbitration Award in the year ended March 31, 2024 consolidated statement of comprehensive income (loss) in the amount of $55.0 million.

On July 29, 2024, the Texas State District Court, Dallas County 134th Judicial District (the "Texas District Court") entered an order vacating the Arbitration Award in its entirety. The Texas District Court directed the parties to file motions requesting any further relief that may be available within twenty days of the order. On August 2, 2024, the Claimant filed an appeal to challenge the order vacating the Arbitration Award in the Texas Fifth Court of Appeals. The Claimant filed his opening brief on October 28, 2024, and the Company filed its response brief on January 21, 2025. On February 10, 2025, the Claimant filed his reply brief. The Texas Fifth Court of Appeals heard oral arguments in April 2025. On October 10, 2025, the Texas Fifth Court of Appeals reversed the judgment of the Texas District Court and confirmed the previous Arbitration Award. On November 12, 2025, the Company filed a motion for re-hearing with the Texas Fifth Court of Appeals. On May 13, 2026, the

Texas Fifth Court of Appeals denied the Company's motion for re-hearing. On June 4, 2026, the Company filed a petition for review with the Supreme Court of Texas requesting that it reverse the Texas Fifth Court of Appeals' ruling and reinstate the trial court's decision to vacate the arbitration award, which was denied by the Supreme Court of Texas on September 9, 2026. The Supreme Court of Texas also denied the Company's motion for rehearing on October 30, 2026. In the Texas District Court, on April 20, 2026, the Company was ordered to post a bond of not less than $25 million as security to protect the judgment pending appeal. On April 30, 2026, the Company filed a Motion for Reconsideration and Stay challenging the bond order. On June 18, 2026, the Company filed a Sworn Declaration establishing that the aggregate current net worth under U.S. GAAP of the defendant entities as determined under Texas law is negative. On June 22, 2026, consistent with the Sworn Declaration, the Company deposited a $100 cash bond in lieu of a supersedeas bond pursuant to Texas Rule of Appellate Procedure 24.2(a)(1) and Texas Civil Practice & Remedies Code § 52.006. The Company will continue to vigorously defend itself in this matter and we are exploring available options with respect to the Arbitration Award, which may include working with the Claimant on settlement terms that could reduce the potential near term cash obligations associated with the arbitration. There can be no assurance that we will be able to reach a settlement on terms that are favorable to us or at all.

As a result of the order issued on July 29, 2024, the Company released the liability associated with the Arbitration Award, which resulted in the release of the previously recognized loss contingency accrual in the amount of $55.0 million being reflected in the year ended March 31, 2025 consolidated statement of comprehensive income (loss). As a result of the order issued on October 10, 2025, the Company recorded a loss contingency associated with the Arbitration Award, including post-judgment interest and fees, which resulted in a loss of $62.8 million being reflected in the six months ended September 30, 2025 consolidated statement of comprehensive income (loss). Additional interest accruing on the Arbitration Award during the three and six months ended September 30, 2026 totaled $1.8 million and $3.6 million, respectively, compared to $1.7 million and $1.7 million for the same periods of 2025, respectively, and is reflected in the noncash interest expense line item on the consolidated statements of cash flows.

GWG Holdings Reorganization and Other Litigation

On April 20, 2022 and October 31, 2022, GWG Holdings and certain of its subsidiaries (the "Debtors") filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code thereby commencing those certain chapter 11 cases (the "Chapter 11 Cases"). As part of the Chapter 11 reorganization process, it was possible that claims or causes of action arising from prior transactions with GWG Holdings could have been advanced against BCG as part of the Chapter 11 Cases or in separate litigation.

Further, the Official Committee of Bondholders (the "OBC") in the Chapter 11 Cases filed a motion seeking standing to prosecute causes of actions on behalf of the Debtors' estate. The OBC's motion was deemed to be withdrawn upon the effective date of the Debtors' bankruptcy plan, which occurred on August 1, 2023.

With the settlement described in "*GWG Litigation Trust Adversary Proceedings*" below, all GWG litigation against the Company, its subsidiaries and each of their current and former officers and directors has been fully resolved in accordance with the settlement agreement.

GWG Litigation Trust Adversary Proceedings

On April 19, 2024, the Litigation Trustee filed a complaint (the "LT Complaint") as an Adversary Proceeding in the bankruptcy of GWG Holdings, Inc. in the United States Bankruptcy Court in the Southern District of Texas against Ben Management LLC, the Company, BCH, BCC, Beneficient Capital Company, L.L.C. ("New BCC"), BHI, various current or former officers and directors of the Company, HCLP and certain of its affiliates, former officers and directors of the Company's former parent company, trustees of certain trusts that are directly or indirectly controlled by, or operate for the benefit of, Ben's former CEO and founder or his family, entities directly or indirectly held by, or that are under common control with, such trusts, and in which Ben's former CEO and his family members are among classes of economic beneficiaries, whether or not Ben's former CEO is entitled to economic distributions from such trusts, and others. The LT Complaint alleged causes of action that include (i) actual or constructive fraudulent transfer for certain transactions between GWG and the Company or its affiliates, (ii) breaches of fiduciary duty, aiding and abetting breaches of fiduciary duty, and civil conspiracy, (iii) unjust enrichment, (iv) avoidance of any purported releases of the defendants, and (v) disallowance of the claims filed by certain defendants, including the Company, in the GWG bankruptcy case.

More specifically, such challenged transactions related to (i) GWG's purchase of $10 million of equity in the Company on June 12, 2019, (ii) GWG's commitment on May 31, 2019 to loan trusts affiliated with the Company $65 million that GWG funded in two tranches ($50 million on June 3, 2019 and $15 million on November 22, 2019) and the repayment of such loan, (iii) GWG's capital contribution to the Company of $79 million on December 31, 2019, (iv) approximately $145 million in capital contributions by GWG to the Company pursuant to a Preferred Series C Unit Purchase Agreement, and (v) the Company's ultimate decoupling from GWG. Additionally, the LT Complaint sought to void the debts owed by the Company to HCLP. The LT Complaint sought to, among other things, void certain of the transactions and/or recover damages,

attorney's fees and expenses, pre-judgment and post-judgment interest.

On August 29, 2024, the Company and related entities moved to dismiss the claims asserted against them. Ben's former CEO and related entities also moved to dismiss the claims asserted against them. The remaining defendants moved to dismiss the claims asserted against them on November 4, 2024. The motions remain pending as to related entities to Ben's former CEO. On December 26, 2024, the Litigation Trustee, the Company, its affiliates and officers and directors, and other defendants insured under the applicable insurance policies filed a stipulation informing the Court that they had reached an agreement in principle to settle the case. On June 13, 2025, the Bankruptcy Court for the Southern District of Texas approved the settlement agreement resolving all claims pending in the Bankruptcy Court under the lawsuits related to GWG Holdings, Inc. against the Company, its subsidiaries, and each of their current and former directors and officers. The settlement did not require any payment by the Company or its affiliates and officers and directors and resolves the Adversary Proceeding as to the Company, its subsidiaries, and each of their current and former directors and officers. The securities class action described below was also resolved by this settlement. On September 25, 2025, the United States District Court for the Northern District of Texas granted the motion for preliminary approval of the settlement. At a hearing on January 13, 2026, the United States District Court for the Northern District of Texas granted final approval of the settlement. Following this approval, the settlement by its terms became effective as of February 13, 2026. On February 13, 2026, all claims in the LT Complaint against the Company, its subsidiaries, and each of their current and former directors and officers were dismissed with prejudice. All the GWG litigation against the Company, its subsidiaries and each of their current and former officers and directors has been fully resolved in accordance with the settlement agreement. On June 15, 2026, the Litigation Trustee filed a motion to approve an amended settlement agreement between the Litigation Trustee and the Company that would ensure any recoveries against Mr. Heppner by either party will go to the Litigation Trust. The amended agreement also sets forth a cooperative framework between the Litigation Trustee and the Company in pursuing claims against Mr. Heppner, including shared legal counsel.

The terms of the settlement are within the policy limits of the Company's insurance policy with respect to such claims, and the settlement was entirely funded by insurance proceeds. Accordingly, the Company has recorded an estimated liability of $34.5 million in accounts payable and accrued expenses and estimated insurance recoveries of $34.5 million in other assets, net, in the consolidated statement of financial condition as of March 31, 2025. The amounts reflected in our consolidated financial statements for the estimated liability and insurance recoveries represents an estimate of the amounts attributable to Ben, its consolidated subsidiaries, and directors as part of a broader settlement also involving other parties. With the final approvals occurring in February 2026, the settlement was paid under the insurance policy to the Litigation Trust resulting in the removal of the $34.5 million estimated liability and $34.5 million of insurance recoveries from our March 31, 2026 consolidated financial statements that were previously accrued.

The Company may owe indemnification obligations pursuant to certain existing contracts, including to certain parties included in the LT Complaint that are not parties to the settlement described above. While the Company intends to dispute these purported obligations, it may ultimately be required to indemnify these parties for losses they incur in connection with the LT Complaint, including for their defense of the LT Complaint and any judgment entered against them in the LT Complaint.

Scura Action

On March 30, 2023, David Scura and Clifford Day, on behalf of themselves and all others similarly situated, filed a class action lawsuit in the United States District Court for the Northern District of Texas against Ben, certain current and former members of its Board (Brad K. Heppner, Peter T. Cangany, Jr., Richard W. Fisher, Thomas O. Hicks, Dennis P. Lockhart, and Bruce W. Schnitzer), certain past members of the board of directors of GWG Holdings (Jon R. Sabes and Steven F. Sabes), FOXO Technologies Inc. ("FOXO"), and Emerson Equity LLC ("Emerson") (the "Scura Action"). The suit alleged that the defendants defrauded GWG Holdings' investors, and it asserted claims on behalf of a putative class consisting of all persons and entities who purchased or otherwise acquired GWG Holdings' L Bonds or preferred stock of GWG Holdings between December 23, 2017, and April 20, 2022. The suit alleged that (i) BCG, the individual defendants, and FOXO violated Section 10(b) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder, (ii) that the individual defendants violated Section 20(a) of the Exchange Act and (iii) that Emerson violated Section 15(c)(1)(A) of the Exchange Act. The complaint did not allege the total amount of damages sought by the plaintiffs. On June 8, 2023, the plaintiffs in the Scura Action filed a voluntary notice of dismissal without prejudice.

On October 27, 2023, David Scura filed a petition in Dallas County District Court against Brad K. Heppner, Jon R. Sabes, Steven F. Sabes, Peter T. Cangany, Jr., Thomas O. Hicks, Dennis P. Lockhart, Bruce W. Schnitzer, the Company and FOXO, alleging violation of the Texas Securities Act, common law fraud, unjust enrichment, and civil conspiracy to defraud and seeking compensatory damages, costs and expenses. The same day, Clifford Day and Carla Monahan filed a petition in Dallas County District Court against the same defendants, alleging the same claims. On April 10, 2024, the plaintiffs and Ben parties entered into a twelve-month tolling agreement, and the plaintiffs filed motions to nonsuit their claims that the courts

granted on April 12, 2024 and April 16, 2024, respectively.

The plaintiffs re-filed their claims in Dallas County District Court on November 22, 2024. On January 17, 2025, the plaintiffs filed notices informing the Court that the parties had reached an agreement in principle to settle all claims and anticipate dismissing the cases following the settlement documentation process. The settlement does not require any payment by the Company or the other defendants. The parties entered into a settlement agreement on July 28, 2025, pursuant to which the Plaintiffs filed a notice of nonsuit with prejudice on August 22, 2025, which was effective immediately upon filing.

Bayati Action

On May 3, 2023, Thomas Horton and Frank Moore, in their capacities as the Lead Plaintiffs in the Bayati Action (the "Lead Plaintiffs"), filed a motion to lift the automatic stay in the Chapter 11 Cases in order to file a motion in the Northern District of Texas seeking to consolidate the Bayati and Scura Actions under the Private Securities Litigation Reform Act. On June 8, 2023, the plaintiffs in the Scura Action filed a voluntary notice of dismissal without prejudice.

On August 16, 2023, Thomas Horton and Frank Moore, in their capacities as the Lead Plaintiffs in the Bayati Action, filed a notice regarding the confirmation of the Debtors' Chapter 11 plan in the GWG bankruptcy, a motion seeking to lift the bankruptcy stay and a motion to consolidate the Bayati and Horton Actions. On September 12, 2023, the Court entered an order consolidating the Bayati and Horton Actions. The Court ordered that the consolidated action shall bear the caption "In re GWG Holdings, Inc. Securities Litigation." The Court lifted the bankruptcy stay and ordered the Lead Plaintiffs to file a new consolidated complaint within 20 days.

On October 2, 2023, the Lead Plaintiffs filed a Consolidated Class Action Complaint against the Company, Brad K. Heppner, Peter T. Cangany, Jr., Thomas O. Hicks, Dennis P. Lockhart, Bruce W. Schnitzer, Murray T. Holland, Timothy L. Evans, David H. de Weese, Roy W. Bailey, David F. Chavenson, and Whitley Penn LLP, alleging Securities Act violations arising out of the Offering. The complaint alleges that the individual defendants violated Sections 11, 12(a)(2), and 15 of the Securities Act, and further alleges that the Company violated Section 15 of the Securities Act. The Company, Brad K. Heppner, Peter T. Cangany, Jr., Thomas O. Hicks, Dennis P. Lockhart, and Bruce W. Schnitzer filed a motion to dismiss the complaint on November 7, 2023. On January 4, 2024, defendants Murray Holland, Tim Evans, Roy Bailey, Whitley Penn, David Chavenson and David H. de Weese filed motions to dismiss. The Lead Plaintiffs' responded to the various motions to dismiss on February 20, 2024, and the defendants (other than Whitley Penn) filed replies in support of the motions to dismiss on March 21, 2024. On October 24, 2024, the Court granted defendants' motions to dismiss and dismissed the claims without prejudice. The Lead Plaintiffs filed an amended complaint on November 14, 2024. On December 26, 2024, the Lead Plaintiff, the Company, and other defendants filed a motion informing the Court that they had reached an agreement in principle to settle the claims on a class-wide basis. The settlement did not require any payment by the Company or its affiliates and officers and directors. The Lead Plaintiffs filed a motion for preliminary approval and, on September 25, 2025, the United States District Court for the Northern District of Texas granted the motion for preliminary approval of the settlement. At a hearing on January 13, 2026, the United States District Court for the Northern District of Texas granted final approval of the settlement and dismissed the Bayati Action with prejudice. Following this approval, the settlement by its terms became effective as of February 13, 2026. As a result of this approval, all the GWG litigation against the Company, its subsidiaries and each of their current and former officers and directors has been fully resolved in accordance with the settlement agreement.

This litigation (and related litigation against other parties that is not part of the settlement) can subject us and certain of our directors to substantial costs and divert resources and the attention of management from our business. If these claims are successful, our business could be seriously harmed. Even if the claims do not result in protracted litigation or are resolved in our favor and the favor of our directors, the time and resources needed to resolve such claims could divert our management's resources and adversely affect our business.

The settlement of the LT Complaint and the Bayati Action utilized substantially all of the amount of remaining insurance coverage available to the Company on certain continuing legal matters. Therefore, ongoing defense costs and, to the extent there are any, awards against the Company associated with these legal matters will be borne by the Company. Prior to the settlement of the LT Complaint and the Bayati Action, the substantial majority of the defense costs related to these certain continuing legal matters, were covered under the terms of our directors and officers insurance policies.

YWCA Action

On December 6, 2024, Young Women's Christian Association of Rochester and Monroe County ("YWCA") filed a derivative and class action lawsuit in the Court of Chancery against Hatteras Funds, LP and Hatteras Investment Partners, LP (together, "HIP"); Hatteras Master Fund, L.P. and Hatteras Core Alternatives TEI Institutional Fund (the "TEI Institutional Fund," and together with Hatteras Master Fund, L.P., the "Funds"); various current or former officers and directors of the Funds (David B. Perkins, H. Alexander Holmes, Steven E. Moss, Gregory S. Sellers, and Thomas Mann) (collectively, the "Director Defendants," and together with HIP, the "Hatteras Defendants"); and Beneficient and Bradley K. Heppner (the

"Ben Defendants"). YWCA, as a unitholder of the TEI Institutional Fund, asserts claims against the Hatteras Defendants for breach of fiduciary duty, breach of contract, and unjust enrichment arising from a plan to liquidate the Funds that involved a transaction with the Company. YWCA also asserts claims against the Ben Defendants for fraud, aiding and abetting breach of fiduciary duty, and unjust enrichment in connection with this transaction.

On January 10, 2025, the Hatteras Defendants and Mr. Perkins filed a Notice of Removal, removing the action to the United States District Court of the District of Delaware (the "District Court") pursuant to the Class Action Fairness Act, 28 U.S.C. § 1453(b), and 28 U.S.C. § 1332(d), which provides for federal jurisdiction over certain class action lawsuits. On January 28, 2025, YWCA filed an amended complaint, which continues to assert the derivative claims asserted in its original complaint (Counts I-VII) but no longer asserts the class action claim (formerly Count VIII). As a result, the parties entered into a stipulation remanding the case to the Court of Chancery for all further proceedings, which was entered by the District Court on February 5, 2025. On February 6, 2025, the parties filed a Joint Stipulation and Proposed Order Setting Time to Respond to Amended Complaint in the Court of Chancery. On March 3, 2025, the Ben Defendants filed a motion to dismiss the complaint and an opening brief in support of such motion. On April 18, 2025, YWCA filed its opposition to the motions to dismiss, and on May 12, 2025, Defendants filed their replies. On December 5, 2025, the Court held a hearing on Defendants' motions to dismiss. The Court dismissed the fraud claim against the Company from the bench and took the aiding and abetting and unjust enrichment claims under advisement. On March 27, 2026, the Court issued a memorandum opinion (i) dismissing the remaining claims against Mr. Heppner, (ii) denying the Hatteras Defendants' motion to dismiss; and (iii) requiring the remaining aiding and abetting claim against the Company to first be tested through limited discovery before permitting it to proceed. On May 4, 2026, the Delaware Supreme Court denied the Hatteras Defendants' application for interlocutory appeal. On May 29, 2026, the Company filed its answer to the amended complaint. On June 17, 2026, the Hatteras Defendants and Mr. Perkins filed a third-party complaint against Mr. Heppner and Ankura Consulting Group, LLC. The Company intends to vigorously defend against the remaining claims.

Templeton Revocable Trust Action

On May 16, 2025, Susan J. Templeton Revocable Trust ("Templeton Trust") filed a derivative complaint in the Delaware Court of Chancery (the "Court" or the "Court of Chancery") against HIP, David B. Perkins (Mr. Perkins, together with HIP, the "Hatteras Templeton Defendants"), the Company, and Brad Heppner ("Mr. Heppner," together with Ben, the "Ben Templeton Defendants"). Templeton Trust, as a unit holder of nominal defendant Hatteras Evergreen Private Equity Fund, LLC (the "Fund"), asserts the following claims arising from a plan to liquidate the Fund that involved a transaction with the Company: (i) direct and derivative claims against the Hatteras Templeton Defendants for breach of fiduciary duty, (ii) derivative claims against HIP and the Ben Templeton Defendants for unjust enrichment, and (iii) a derivative claim against the Ben Templeton Defendants for aiding and abetting breach of fiduciary duty. On June 18, 2025, the Ben Templeton Defendants moved to dismiss for lack of personal jurisdiction over Mr. Heppner and for failure to state a claim upon which relief can be granted. The motion to dismiss has not been briefed by the Ben Templeton Defendants. The Company intends to vigorously defend against these claims.

Lazard Action

On March 17, 2025, Lazard Frères & Co. LLC ("Lazard") filed a complaint against the Company in the U.S. District Court for the Southern District of New York, alleging that the Company breached the terms of its previous contract with Lazard by failing to timely pay amounts owed thereunder. Lazard was seeking damages in the amount of approximately $4.5 million in addition to costs, attorneys' fees and prejudgment interest. In June 2025, the Company reached a settlement with Lazard for payment of approximately $2.5 million based on a payment schedule outlined in the settlement agreement. The Company had previously accrued the $4.5 million in its statement of financial condition. During the prior fiscal year, the Company completed the payments outlined in the settlement agreement and released the additional accrual of $2.0 million.

HCLP Actions

On August 5, 2025, HCLP filed a summons with notice in the Supreme Court of the State of New York seeking a judgment against the Company for amounts owed under the HCLP Loan Agreement in addition to attorney's fees and litigation costs. The summons with notice did not include a complaint and was not served on the Company prior to the automatic dismissal date in December 2025 if not served. In light of these circumstances, the Company is evaluating the validity of its obligations under the HCLP Loan Agreement and the liens securing the HCLP Loan and is considering all options that it may pursue related to this conduct, including counter claims and litigation against Mr. Heppner, HCLP and any direct or indirect control parties of HCLP. The Company intends to vigorously pursue its claims regarding the validity of such purported indebtedness.

On October 10, 2025, HCLP brought an action in the Court of Chancery against Delaware Trust Company ("DTC") individually and as trustee for twenty-five Custody Trusts (the "Custody Trusts"). The Custody Trusts hold collateral against which certain of the Company's ExAlt Loans are made. HCLP purports to be lender to BCH and its affiliates and asserts that the Company owes HCLP approximately $122 million on two loans, which it claims are in default. HCLP further alleges that

the Custody Trusts guaranteed the loans that are secured by certain pledge agreements. The action seeks to enforce the guarantees and the pledge agreements and prevent any future distributions to the Company. HCLP also filed a motion for a temporary restraining order that seeks to enjoin DTC, in the interim, from selling, transferring, or encumbering the assets held by the Custody Trusts. The parties entered into an agreed form of order which was approved by the Court. Under the order, DTC agreed to not transfer, sell, encumber or otherwise dispose of the collateral held by the Custody Trusts, which includes any distributions received from the collateral during the pendency of the order, and the parties to the action agreed to request a trial date in mid-2026. On November 21, 2025, the parties stipulated to a form of order that was approved by the Court, which stayed all proceedings until the conclusion of Mr. Heppner's criminal trial, which began in April 2026. The Company was not named in either the action or the motion. On October 23, 2026, the Company and certain of its subsidiaries filed a motion to intervene in the action, which seeks to invalidate the HCLP credit agreements and related loan documents, cancel the purported obligations, recover the approximately $211 million the Company previously paid on the purported debt and establish that HCLP has no valid right to the related collateral. Due to Mr. Heppner's conviction and the facts established in the related proceedings, the Company is evaluating the validity of its obligations under the HCLP Loan Agreement and the liens securing the HCLP Loan and is considering all options that it may pursue related to this conduct, including litigation against Mr. Heppner, HCLP and any direct or indirect control parties of HCLP and their agents.

On May 7, 2026, Brad K. Heppner, the Company's founder and former CEO, was convicted of securities fraud, wire fraud, conspiracy to commit securities fraud and wire fraud, and false statements to auditors by a jury of his peers. Prior to his conviction, on May 5, 2026, Mr. Heppner submitted a demand to the Company seeking advancement of approximately $3.8 million in incurred criminal defense costs, plus additional amounts for anticipated future appellate proceedings, under certain indemnification provisions in the Bylaws, the Services Agreement, the Second Amended and Restated Limited Liability Company Agreement of BCG, and the Ninth A&R BCH LPA.

On May 28, 2026, the Company, together with its subsidiaries BCG and BCH, filed a complaint in the Eighth Judicial District Court of Clark County, Nevada against Mr. Heppner and Bradley Capital Company, LLC. The complaint seeks a declaratory judgment that Mr. Heppner is not entitled to advancement or indemnification under the Bylaws or the Services Agreement, and that BCG and BCH have no obligation to advance Mr. Heppner's legal fees and expenses incurred in connection with his criminal prosecution in the United States District Court for the Southern District of New York.

On June 5, 2026, Mr. Heppner filed a competing lawsuit in Delaware Chancery Court against the Company, BCG, and BCH seeking advancement of Mr. Heppner's legal fees and expenses incurred in connection with his criminal prosecution, attorney's fees incurred in pursuing his advancement claim, and additional relief. The Company intends to vigorously pursue its claims for declaratory relief in the Nevada lawsuit, and to vigorously defend against Mr. Heppner's claims in the Delaware lawsuit.

On October 2, 2026, Friedman Kaplan Seiler Adelman & Robbins LLP initiated a legal proceeding in the Supreme Court of the State of New York seeking to recover in excess of $2.3 million in unpaid legal fees from HCLP and its affiliates incurred in connection with a series of litigation matters and investigations relating to GWG. The plaintiff has sued the Company and certain subsidiaries and Custody Trusts as guarantors under certain credit agreements with HCLP. The Company intends to vigorously defend against such claims.

17. Supplemental Cash Flow Information

Cash paid for taxes for the six months ended September 30, 2026 and 2025 was de minimis. Cash paid for interest for the six months ended September 30, 2026 and 2025, was nominal and $0.8 million, respectively.

Supplemental disclosure of noncash investing and financing activities include:

Six Months Ended September 30, 2026:

- $15.8 million issuance of Series B preferred stock and $0.4 million issuance of noncontrolling interest in connection with recent financings.
- $9.9 million accrual for BCH Preferred A-0 guaranteed payment.
- $2.7 million of Class A common stock issued as payment of principal and interest for the Promissory Notes.
- $1.0 million of Class A common stock issued as payment of commitment fee under A&R SEPA.
- $0.9 million settlement of liability for issuance of Class A common stock.
- $0.3 million of distributions payable to the Charitable Beneficiaries.
- $0.2 million settlement of liability for issuance of restricted stock units.

Six Months Ended September 30, 2025:

- $11.5 million issuance of Series B preferred stock and $0.3 million issuance of noncontrolling interest in connection with recent financings.
- $9.3 million accrual for BCH Preferred A-0 guaranteed payment.
- $1.3 million of distributions payable to the Charitable Beneficiaries.

18. Subsequent Events

The Company has evaluated subsequent events through the date the financial statements were available to be issued, and determined that there have been no events, other than those described elsewhere in the notes to these consolidated financial statements, that have occurred that would require adjustments to our disclosures in the consolidated financial statements.

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with "Cautionary Note Regarding Forward-Looking Statements," and the accompanying consolidated financial statements and notes thereto of Beneficient (f/k/a The Beneficient Company Group, L.P.) set forth in Part I, Item I of this Quarterly Report on Form 10-Q and our March 31, 2026 audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on June 30, 2026 ("Annual Report"). This discussion and analysis is based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Except as otherwise required by the context, references to the "Company," "Ben," "we," "us," "our," and "our operating subsidiaries," are to Beneficient, a Nevada corporation and its consolidated subsidiaries (but excluding the Customer ExAlt Trusts as defined below). References to "BCG," "Ben," "we," "us," "our," and similar terms, prior to the effective time of the conversion, refer to the registrant when it was a Delaware limited partnership and such references following the effective time of the conversion, refer to the registrant in its current corporate form as a Nevada corporation called "Beneficient." All references to "Beneficient" refer solely to Beneficient, a Nevada corporation, "BCG" refer solely to The Beneficient Company Group, L.P., and all references to "BCH" refer solely to Beneficient Company Holdings, L.P., a subsidiary of BCG.

Risk Relating to Forward-Looking Statements

This discussion and analysis contains forward-looking statements, which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the fact that they do not strictly relate to historical or current facts. They use words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "outlook," "plan," "potential," "predict," "seek," "should," "will," "would," the negative version of these words, or other comparable words or phrases. Such forward-looking statements are subject to various risks and uncertainties. In particular, these include statements relating to future actions, statements regarding future performance or results and anticipated services or products, sales efforts, expenses, the outcome of contingencies, trends in operations and financial results. Actual results could differ materially from those expressed or implied in the forward-looking statements. See "—*Cautionary Note Regarding Forward-Looking Statements*."

Overview

We are a technology-enabled financial services company that provides simple, rapid, and cost-effective liquidity solutions and related trustee, custody, and trust administration services to participants in the alternative assets industry. Through our business line operating subsidiaries (each a "Ben Business Unit" and collectively, the "Ben Business Units"), Ben Liquidity, Ben Custody, and Ben Markets, we seek to provide solutions in the alternative asset investment market for individual and institutional investors, general partners and sponsors ("GPs") and the alternative asset funds they manage ("Customers"). Following receipt of regulatory approval, our Ben Business Units are expected to include an additional business line, Ben Insurance Services. Our products and services are designed to meet the unmet needs of mid-to-high net worth ("MHNW") individual investors, small-to-midsize institutional ("STMI") investors, family offices ("FAMOs") and GPs, which collectively are our Customers.

Currently, our primary operations relate to our liquidity, primary capital, trustee, custody and alternative asset trust administration products and services through Ben Liquidity, L.L.C. and its subsidiaries (collectively, "Ben Liquidity") and Ben Custody, L.L.C. and its subsidiaries (collectively, "Ben Custody"), respectively.

Through Ben Liquidity, we finance liquidity and primary capital transactions for our Customers using a proprietary trust structure we implement for our Customers (we refer to such trusts collectively as the "Customer ExAlt Trusts"). The Customer ExAlt Trusts facilitate the exchange of a Customer's alternative assets or to fulfill a Customer's primary capital needs for consideration using a proprietary financing structure (such structure and related process, the "ExAlt Plan™"). In the ExAlt Plan™ financings, a subsidiary of Ben Liquidity, Beneficient Fiduciary Financial, L.L.C. ("BFF"), a Kansas based trust company that provides fiduciary financing (or "fidfin") to fidfin trusts, makes loans (each, an "ExAlt Loan") to certain of the Customer ExAlt Trusts, which in turn employ a portion of the loan proceeds to acquire and deliver agreed upon consideration to the Customer in exchange for their alternative assets or to fulfill their primary capital needs. Since becoming a public company, we have also offered shares of our Class A common stock or convertible preferred stock in financings as consideration for the Customer ExAlt Trusts to meet capital calls or make other capital contributions in alternative asset funds. BFF is chartered as a Kansas Technology Enabled Fiduciary Financial Institution ("TEFFI") under the Technology-Enabled Fiduciary Financial Institution Act (the "TEFFI Act") and regulated by the Kansas Office of the State Bank Commissioner (the "OSBC"). Only BFF, our subsidiary, is regulated by the OSBC. The OSBC does not regulate the entirety of Ben. Ben Liquidity generates interest and fee income earned in connection with the ExAlt Loans, which are collateralized by a portion of the cash flows from the exchanged alternative assets (the "Collateral"). While the ExAlt Loans and the related

interest and fee income and provision for credit losses are eliminated upon consolidation of the Customer ExAlt Trusts solely for financial reporting purposes, such amounts directly impact the allocation of income (loss) to Ben's and BCH's equity holders.

Through Ben Custody, we currently provide an extensive line of trustee and custody services, alternative asset trust administration and data management services to the trustees of the Customer ExAlt Trusts and other Customers through BFF, and other of our subsidiaries, for fees payable quarterly.

Through Ben Markets, we provide broker-dealer services through our subsidiary, AltAccess Securities Company, L.P. ("AltAccess Securities"), a Financial Industry Regulatory Authority, Inc. ("FINRA") member and Securities and Exchange Commission ("SEC") registered broker-dealer, and transfer agent services through our subsidiary, Beneficient Transfer and Clearing Company, L.L.C. ("Beneficient Transfer"), an SEC registered transfer agent, each in connection with offering our liquidity products.

While Ben's financial products and services are presently primarily offered through Ben Liquidity and Ben Custody, Ben plans to expand its capabilities under Ben Custody and provide additional products and services through Ben Insurance, L.L.C. and its subsidiaries (collectively, "Ben Insurance Services") and Ben Markets L.L.C., including its subsidiaries ("Ben Markets") in the future. Ben Insurance Services plans to provide insurance products and services to certain "affiliates" (as defined in the Kansas Captive Insurance Act), including the Customer ExAlt Trusts, custody accounts and other trusts for which BFF serves as trustee or custodian, to cover risks attendant to the ownership, management and transfer of alternative assets and financings related to alternative asset transactions. On August 8, 2025, our subsidiary, Beneficient Insurance Company, L.L.C. ("BIC"), voluntarily withdrew its application for an insurance charter with the Commissioner of Insurance of the State of Kansas but intends to refile such application in the future. Additionally, BIC's wholly-owned subsidiary, PEN Indemnity Insurance Company, LTD. ("PEN") had been registered and licensed as a Class 3 insurer with the Bermuda Monetary Authority under the Bermuda Insurance Act of 1978, but the Company has decided to not seek approval from the Bermuda authorities for PEN to become operational. The Company is in the process of dissolving the relevant Bermuda entities.

Each of our liquidity, primary capital, custody, trustee, trust administration, transfer agent and broker-dealer products and services are structured to be deliverable to our Customers through our online digital platform, AltAccess. AltAccess serves as the centralizing hub of our business and is an interactive, secure, end-to-end portal through which Customers select among our products and services and complete transactions in a regulated environment. Our internal technology team developed Ben's AltAccess enterprise software systems and managed services, which consist of an integrated array of proprietary and third-party software solutions curated together to power the AltAccess platform enabling our Customers to access our products and services, select those that fit their specific needs and close transactions with Ben. The AltAccess platform is designed to ultimately be provided through a software as a service model to multiple intermediaries, including commercial lenders, and to be accessed through an application programming interface for these intermediaries to deploy in their businesses. Ben AltAccess's online platform is presently no longer publicly accessible as it's being re-engineered to better meet the needs of our Customers. In the interim, we plan to continue to meet the needs of our Customers seeking liquidity, custody, trust and data services for their alternative assets via other methods.

While not presently publicly accessible, AltAccess is designed to operate seamlessly across the Ben Business Units, each of which are subject to regulation by various state and federal regulatory agencies. We believe Ben's utilization of a centralized portal as a core capability and tool for our Customer's seamless access to a range of alternative assets products and services is unique in the industry. In conducting its trustee, custodial, fiduciary financing and other authorized operations, BFF is regulated by the OSBC (the OSBC does not regulate the entirety of Beneficient). As a result, our AltAccess platform is periodically examined by the OSBC, and has previously been further assessed by a third-party organization, who issued a System and Organizational Controls ("SOC") 2 type 2 and SOC 3 compliance report for the benefit of our Customer users for the year ended March 31, 2025. The Company did not engage this third-party organization to complete such SOC compliance reports in our most recently completed fiscal year and may not seek such engagements in future periods either.

The Customer ExAlt Trusts' distributions on alternative assets support the repayment of the ExAlt Loans plus any related interest and fees. For financial reporting purposes, even though they are not legally owned by Ben, the Customer ExAlt Trusts are required to be consolidated subsidiaries of Ben under accounting principles generally accepted in the United States ("U.S. GAAP"). As a result, Ben Liquidity's ExAlt Loans and related interest and fee income and provision for credit losses and Ben Custody's fee income are eliminated in the presentation of our consolidated financial statements solely for financial reporting purposes; however, such amounts directly impact the allocation of income (loss) to Ben's or BCH's equity holders.

Under the applicable trust and other agreements, certain Texas and Kansas charities are the ultimate beneficiaries of the Customer ExAlt Trusts (which we refer to as "Charities" or "Economic Growth Zones" respectively, and collectively, the "Charitable Beneficiaries"), and their interests are reported as noncontrolling interests in our consolidated financial statements. The TEFFI Act requires that two and a half percent (2.5%) of the cash distributions from alternative assets

serving as collateral to Ben Liquidity loans be charitably contributed by certain of the Customer ExAlt Trusts to a designated Kansas Economic Growth Zone. Accordingly, for ExAlt Loans originated on or after December 7, 2021, Economic Growth Zones are paid $0.025 for every $1.00 received by an ExAlt Trust from the corresponding alternative assets. For ExAlt Loans originated prior to December 7, 2021, in accordance with the terms of the applicable trust and other agreements, the Charitable Beneficiaries of the Customer ExAlt Trusts formed prior to such date, are paid $0.05 for every $0.95 paid to the applicable ExAlt Loan lender. To facilitate the payments to the Economic Growth Zones and Charities, we engage in an effort to deploy assets and cash and may experience costs as a result. As our business expands, we expect that these costs could grow.

Business Units

We offer our products and services through our principal business units, which generally align with our operating subsidiaries, including Ben Liquidity, Ben Custody, and Ben Markets.

- **Ben Liquidity** is our primary business line and offers Ben's alternative asset liquidity and fiduciary financing products and primary capital products through Ben AltAccess. As noted above, Ben AltAccess's online platform is presently no longer publicly accessible as it's being re-engineered to better meet the needs of our Customers. In the interim, we plan to continue to meet the needs of our Customers seeking liquidity, custody, trust and data services for their alternative assets via other methods.
- **Ben Custody** addresses the administrative and regulatory burden of holding alternative assets by offering trustee, custody and alternative asset trust administration support services to trustees of the Customer ExAlt Trusts, including BFF, and also offers document custodian services to Customers.
- **Ben Markets** provides broker-dealer and transfer agency services in connection with offering certain of our liquidity products and services.

In connection with our principal business units, we offer products and services through the following business units and operating subsidiaries.

- **Ben AltAccess** is our primary, customer-facing application serving as the access point through which a Customer accesses our suite of products and services.
- **Ben Data** provides the Customer ExAlt Trusts with certain data collection, evaluation, and analytics products and services.

In the future, we plan to offer additional products and services through Ben Insurance Services. Through Ben Insurance Services, we plan to provide insurance services to certain affiliates (as defined in the Kansas Captive Insurance Laws), including the Customer ExAlt Trusts and other trusts for which BFF serves as the trustee or custodian, to cover risks related to ownership, management, and transfer of alternative assets and the financing related to alternative asset purchases.

Certain of our operating subsidiary products and services involve or are offered to certain of the Customer ExAlt Trusts, which, while not legally owned by Ben, are consolidated subsidiaries of Ben for financial reporting purposes, and therefore transactions between our operating subsidiaries and the Customer ExAlt Trusts are eliminated in the presentation of our consolidated financial statements. However, such amounts are earned by Ben's business lines from the Customer ExAlt Trusts and directly impact the income (loss) allocable to Ben's and BCH's equity holders. Accordingly, the elimination in consolidation of amounts charged by Ben to the Customer ExAlt Trusts, such as interest income and certain fee revenue, has no effect on the net income (loss) attributable to Ben, BCH or to Ben's and BCH's equity holders.

Business Segments

Under U.S. GAAP, we have three reportable business segments: Ben Liquidity, Ben Custody and Customer ExAlt Trusts. Our Ben Liquidity and Ben AltAccess business units comprise the Ben Liquidity operating segment. Our Ben Custody and Ben Data business lines comprise the Ben Custody operating segment.

The Customer ExAlt Trusts, which hold interests in alternative assets and pay interest and principal to Ben Liquidity, transaction fees to Ben Liquidity and Ben Custody in connection with liquidity transactions and fees to Ben Custody for providing full-service trust administration services to the trustees of the Customer ExAlt Trusts, comprise the Customer ExAlt Trusts segment. Such amounts paid to Ben Liquidity and Ben Custody are eliminated in the presentation of our consolidated financial statements but directly impact the allocation of income (loss) to Ben's and BCH's equity holders. The elimination of intercompany transactions are included in "Consolidating Eliminations."

The Corporate/Other category includes unallocated corporate overhead and administrative costs, gains (losses) on changes in the fair value of GWG Holdings, Inc. ("GWG Holdings" or "GWG") common stock and, following the emergence from bankruptcy, interests in the GWG Wind Down Trust (the "GWG Wind Down Trust") held by Ben, interest expenses incurred

on corporate-related debt transactions, and the operations of Ben Insurance Services and Ben Markets, which are not considered reportable segments as they do not meet the quantitative criteria to be separately reported.

We have allocated certain expenses to our operating segments, such as salaries, legal expenses, and other general operating expenses. We have not allocated certain other expenses, including equity compensation and interest expense for certain debt agreements, to our operating segments. We may in the future determine to allocate certain additional expenses to the operating segments, which could have a material impact on the presentation of the results of our operating segments in any future segment presentation.

How We Generate Revenue

On a consolidated basis with the Customer ExAlt Trusts, which are variable interest entities ("VIEs") and not owned directly or indirectly by our equity holders, we primarily recognize revenue through increases or decreases in the fair value of investments held by the Customer ExAlt Trusts. The changes in the fair value of these investments are also the primary source of revenue recognized by the Customer ExAlt Trusts business segment.

As further described under "*Recent Developments - Asset Sales Initiative*," at various dates during the six months ended September 30, 2026, entities held by a Customer ExAlt Trust and managed by an indirect subsidiary of the Company completed the sales of beneficial interests or redemption of equity interests with respect to certain limited partner interests held for the benefit of such Customer ExAlt Trust, pursuant to which, the sellers received aggregate gross proceeds of approximately $9.1 million for the sale of such interests.

Our Ben Liquidity and Ben Custody business segments, which relate to our current operating subsidiaries that are owned by the holders of equity in the Company (including BCH), recognize revenue through (i) interest income on ExAlt Loans made to the Customer ExAlt Trusts in connection with our liquidity transactions for Customers, (ii) fee income billed at closing, but recognized as revenue ratably over the expected life of the alternative asset, for each liquidity transaction with Customers for services including access to and use of the AltAccess platform, transfer of the alternative assets, and delivery of the consideration to the client, and (iii) recurring fee income recognized each period for providing services including trustee, custody, and trust administration of the Customer ExAlt Trusts while they hold investments. Ben Liquidity and Ben Custody revenue recognized for the three and six months ended September 30, 2026 and 2025 is as follows:

a. Ben Liquidity recognized $8.7 million and $8.5 million in interest income during the three months ended September 30, 2026 and 2025, respectively. For the six months ended September 30, 2026 and 2025, Ben Liquidity recognized interest income of $16.9 million and $17.3 million, respectively.

b. Ben Custody recognized $2.7 million and $3.1 million in trust services and administration revenues during the three months ended September 30, 2026 and 2025, respectively, comprised of both the fee income billed at the closing of the transactions that is being amortized into revenue and the recurring fee income billed during the periods. For the six months ended September 30, 2026 and 2025, Ben Custody recognized trust services and administration revenues of $5.2 million and $7.3 million, respectively.

The majority of such revenues earned by Ben Liquidity and Ben Custody are eliminated in the presentation of our consolidated financial statements; however, the cash flows received upon repayment of the ExAlt Loans and in payment of Ben Custody fees are allocable to our and BCH's equity holders and not the beneficiaries of the Customer ExAlt Trusts.

In addition, Corporate/Other, which also relates to Ben or subsidiaries owned by the holders of equity in the Company (including BCH), may include fee revenue recognized through services provided to Customers or the Customer ExAlt Trusts through business lines not included within Ben Liquidity and Ben Custody.

As a result of the above along with the existing equity capital structure described below under *"Noncontrolling Interests"*, the net income (loss) of the Company can vary significantly from the net income (loss) attributable to the Beneficient common shareholders. The following table presents a reconciliation of operating income (loss) of our reportable segments, excluding the Customer ExAlt Trusts, to net income (loss) attributable to Beneficient common shareholders. This reconciliation serves to provide users of our financial statements an understanding and visual aid of the reportable segments that impact net income (loss) attributable to the common shareholder and reiterates that the consolidation of the Customer ExAlt Trusts has no impact on the net income (loss) attributable to Beneficient common shareholders.

(in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Operating income (loss)*				
Ben Liquidity	$ (17,299)	$ (821)	$ (9,945)	$ (6,838)
Ben Custody	198	2,292	1,548	5,420
Corporate & Other	(22,130)	(9,555)	(32,730)	(83,102)
Income tax expense (allocable to Ben and BCH equity holders)	(22)	(43)	(22)	(43)
Net loss attributable to noncontrolling interests – Ben	22,179	9,191	22,200	25,175
Noncontrolling interest guaranteed payment	(4,982)	(4,693)	(9,890)	(9,317)
Net income (loss) attributable to common shareholders	$ (22,056)	$ (3,629)	$ (28,839)	$ (68,705)

*Includes amounts eliminated in consolidation.

For information concerning the noncontrolling interests in the Customer ExAlt Trusts and in our subsidiary, BCH, see "*—Basis of Presentation – Noncontrolling Interests*."

Basis of Presentation

Elimination of Fee and Interest Income in Consolidation

Certain of our operating subsidiary products and services involve or are offered to certain of the Customer ExAlt Trusts, which are consolidated subsidiaries of Ben solely for financial reporting purposes, and therefore transactions between our operating subsidiaries and the Customer ExAlt Trusts are eliminated in the presentation of our consolidated financial statements.

As a result, Ben's primary tangible assets reflected on our consolidated statements of financial condition are investments, mainly comprised of alternative assets held by the Customer ExAlt Trusts and the primary sources of revenue reflected on our consolidated statements of comprehensive income (loss) are investment income (loss), net, which represents changes in the net asset value ("NAV") of these investments held by the Customer ExAlt Trusts, and gain (loss) on financial instruments, net, which represents changes in fair value of equity securities, debt securities, derivatives, convertible debt recorded at fair value, warrants and put options, primarily held by the Customer ExAlt Trusts. Such investment income (loss), net, and gain (loss) on financial instruments, net, that are held by the Customer ExAlt Trusts, including interests in the GWG Wind Down Trust (formerly debt and equity securities issued by GWG Holdings), is included in the net income (loss) allocated to noncontrolling interests – Customer ExAlt Trusts in the consolidated statements of comprehensive income (loss). The revenues and expenses recognized in these line items for the activities of the Customer ExAlt Trusts do not directly impact net income (loss) attributable to Ben's or BCH's equity holders.

Instead, the interest and fee income earned by Ben Liquidity and Ben Custody from the Customer ExAlt Trusts, which are eliminated in the presentation of our consolidated financial statements, directly impact the share of net income (loss) attributable to Ben's and BCH's equity holders. First, such eliminated amounts are earned from, and funded by, the Customer ExAlt Trusts, which are a noncontrolling interest. As a result, the eliminated amounts earned by Ben Liquidity and Ben Custody from the Customer ExAlt Trusts serve to increase the attributable share of net income (loss) to Ben and BCH equity holders. Second, the terms of the Amended and Restated LPA of BCH (the "BCH A&R LPA") (references to the "BCH A&R LPA" refer to the Amended and Restated Limited Partnership Agreement of BCH currently in effect unless otherwise indicated) provide that certain BCH income constituting the Excluded Amounts (as defined in the BCH A&R LPA) are allocated to certain BCH equity holders that are noncontrolling interests. Excluded Amounts are directly impacted by the interest and/or fee income earned by Ben Liquidity and Ben Custody from the Customer ExAlt Trusts, which are eliminated in the presentation of our consolidated financial statements. Such allocation to these noncontrolling interest holders is expected to grow as we expand our operations.

Additionally, Ben Liquidity's and Ben Custody's provision for credit losses is eliminated in the presentation of our consolidated financial statements but directly impacts the net income (loss) attributable to the various equity securities of Ben

and BCH. Likewise, the amounts expensed by the Customer ExAlt Trusts for interest and fees owed to Ben's operating subsidiaries are eliminated in the presentation of our consolidated financial statements but are recognized for purposes of the allocation of net income (loss) attributable to the beneficial owners of the Customer ExAlt Trusts.

Noncontrolling Interests

The consolidated financial statements of Ben include the accounts of Ben, its wholly-owned and majority-owned subsidiaries, certain VIEs, in which the Company is the primary beneficiary, and certain noncontrolling interests. The noncontrolling interests reflected in our consolidated financial statements represent the portion of BCH's limited partnership interests and interests in the Customer ExAlt Trusts that are held by third parties. Amounts are adjusted by the noncontrolling interest holder's proportionate share of the subsidiaries' earnings or losses each period and for any distributions that are paid. The portion of income allocated to owners other than the Company is included in "net income (loss) attributable to noncontrolling interests" in the consolidated statements of comprehensive income (loss). Our primary noncontrolling interests are described in Part II, Item 7 to our Annual Report.

Recent Developments

Developments Regarding our Chief Executive Officer

Effective on July 20, 2025, James G. Silk was named the Interim Chief Executive Officer. On June 24, 2026, Mr. Silk was named as the permanent Chief Executive Officer.

Brad K. Heppner previously served as the CEO and Chairman of the Board of Directors (the "Board") and resigned from both positions on June 19, 2025 following a request from the Company's counsel, acting at the direction of the Audit Committee of the Board, for Mr. Heppner to sit for a formal interview regarding, among other things, his knowledge of certain documents and information concerning Mr. Heppner's relationship to HCLP provided to the Company's auditors in 2019. The interview request was made after the Company identified credible evidence that Mr. Heppner participated in fabricating and delivering fake documents to the Company regarding his and others' relationships to HCLP, knowing that these documents would be provided to the Company's auditors. The Company continues to consider additional information it has learned about other conduct by Mr. Heppner and other persons that purportedly controlled HCLP to determine the extent to which any of that conduct surrounding HCLP was fraudulent. On November 4, 2025, Mr. Heppner was indicted by the United States Southern District of New York charging Mr. Heppner with various counts comprised of securities fraud, wire fraud, conspiracy to commit securities fraud and wire fraud, false statements to auditors, and falsification of records. At trial, it was established that Mr. Heppner fabricated the HCLP Loan, that HCLP was controlled by Mr. Heppner and that monies paid to HCLP in connection with the HCLP Loan were paid to Mr. Heppner. On May 7, 2026, Mr. Heppner was convicted of securities fraud, wire fraud, conspiracy to commit securities fraud and wire fraud, and false statements to auditors. Mr. Heppner is scheduled to be sentenced on January 11, 2027 in the Southern District of New York.

Amended and Restated Standby Equity Purchase Agreement

On June 26, 2026, the Company amended and restated the 2023 SEPA (defined below) in its entirety (as amended, the "A&R SEPA") to (i) reduce the commitment size of the 2023 SEPA to $100 million and extend its maturity on the terms and conditions set forth therein and (ii) provide that YA II PN, Ltd. ("Yorkville") advance to the Company the principal amount of $4.0 million evidenced by promissory notes convertible into shares of Class A common stock (each, a "Promissory Note" and together, the "Promissory Notes"). On July 1, 2026, funds of approximately $1.9 million were received under a Promissory Note that the Company issued to Yorkville in the aggregate principal amount of $2.0 million, subject to an original issue discount of 5%. Additionally, on August 5, 2026, the Company issued Yorkville a second $2.0 million Promissory Note on the same terms, resulting in gross proceeds to the Company of approximately $1.9 million, received on the same day. During the quarter ended September 30, 2026, approximately $2.7 million of the Promissory Notes have been converted into 2,621,609 shares of Class A common stock. The remaining principal balance under the Promissory Notes is approximately $1.3 million. For additional information regarding the terms of the A&R SEPA, see Item 9B of our Annual Report.

Collateral Management Services

During the six months ended September 30, 2026, the Company was retained to provide its first two collateral management services engagements to a third party Texas state-chartered bank in connection with a secured lending transaction. Under each engagement, the Company provides ongoing collateral monitoring and reporting services with respect to a portfolio of professionally managed alternative assets pledged as collateral for a credit facility. The engagements are expected to generate recurring annual fee revenue for the Company for the duration of the engagements and represents the first two commercial deployments of Beneficient's collateral management services offering. The Company believes these engagements demonstrate the applicability of its alternative asset expertise and reporting capabilities to a broader range of financial institution customers and lending transactions.

The Company's collateral monitoring and reporting services include the following features: i) portfolio overview and diversification, ii) concentration risk analysis, iii) cash activity analysis, iv) collateral pricing analytics, and v) risk premium decomposition. The Company intends to leverage these initial engagements as a reference relationship as it pursues additional collateral management opportunities with banks, financial institutions and other lenders. Revenues and costs associated with collateral management services are included in the Ben Custody operating segment.

Asset Sales Initiative

In an effort to address cash flow restraints the Company has been experiencing primarily relating to delays in distributions and other realization events on the interests in alternative assets held by the Customer ExAlt Trusts, the Company has commenced an initiative (the "Asset Sales Initiative") to sell or otherwise monetize a portion of the assets reported on the Company's consolidated balance sheet, including assets and additional investments held by the Customer ExAlt Trusts if, as and when prudent. The proceeds received by the Company following assets sales upon repayment of corresponding loans are expected to be used to satisfy existing obligations of the Company, including, but not limited to, payments owed to creditors, vendors, and to cover operating expenses.

As part of the Asset Sales Initiative, on various dates starting on June 6, 2025 through March 31, 2026, entities ("Sellers") held by a Customer ExAlt Trust and managed by an indirect subsidiary of the Company completed the sale of beneficial interests with respect to certain limited partner interests or equity securities (the "Interests") held for the benefit of such Customer ExAlt Trust. Cumulatively, the Sellers received aggregate gross proceeds of $51.4 million for the sale of the beneficial interests or equity securities included in these transactions. For each such transaction, the Sellers generally paid an agreed upon brokerage commission and certain transaction costs out of such gross proceeds. The remainder of the net proceeds were distributed to the Customer ExAlt Trust, which then used such proceeds as follows: (i) a portion (2.5%) of the proceeds will be distributed to the beneficiaries of the Customer ExAlt Trust and (ii) the remainder was paid to a subsidiary of the Company as payment on outstanding accrued fees (if any) and/or a loan repayment on the outstanding loan issued by BFF to such Customer ExAlt Trust. The proceeds for the fee payment and the loan repayment were then available for use by the Company. For each transaction, the Company was required to pay certain agreed upon amounts out of the net proceeds to HH-BDH LLC as a principal and interest payment on the loan previously made by HH-BDH LLC to Beneficient Financing, LLC. HH-BDH LLC is an entity affiliated with Mr. Mack Hicks, who was a member of the Board.

In the six months ended September 30, 2026, Sellers completed additional sales for gross proceeds of approximately $9.1 million. The Sellers paid certain transaction costs out of such gross proceeds. The remainder of the net proceeds were distributed to the Customer ExAlt Trust, which then used such proceeds as follows: (i) a portion (2.5%) of the proceeds will be distributed to the beneficiaries of the Customer ExAlt Trust and (ii) the remainder was paid to a subsidiary of the Company as payment on outstanding accrued fees (if any) and/or a loan repayment on the outstanding loan issued by BFF to such Customer ExAlt Trust. The proceeds for the fee payment and the loan repayment were then available for use by the Company.

As part of one of the executed transactions, two limited partnership interests remain under contract to be sold for which funding has not yet occurred. Once those two transactions close and fund, gross proceeds are expected to be approximately $0.1 million, subject to change based on any capital calls funded or distributions received in the intervening time period.

Recent Financings

On July 10, 2026, the Company funded the closing of a primary capital transaction pursuant to definitive agreements entered into on July 8, 2026 with respect to a limited partner interest in an investment fund with a NAV of $7.44 million. Pursuant to the transaction, the Customer ExAlt Trusts acquired a limited partner interest, and in exchange for such interest, the customer received 744,455 shares of the Company's Series B-11 Resettable Convertible Preferred Stock, par value $0.001 per share (the "Series B-11 preferred stock"), with such Series B-11 preferred stock being convertible into shares of the Company's Class A common stock. The Series B-11 preferred stock is convertible at the election of the holder into Class A common stock initially at a conversion price of $3.6514 per share and is subject to reset from time to time, subject to a floor price of $1.8257 per share. A maximum of 4,077,642 shares of Class A common stock may be issued upon conversion of the Series B-11 preferred stock.

Recent Equity Issuances

On July 2, 2026 the holder of the Series B-7 preferred stock elected to convert 2,334 shares of Series B-7 preferred stock into 9,794 shares of Class A common stock, at a price per share of approximately $2.38 pursuant to the terms of the Series B-7 certificate of designation. On October 12, 2026, the holder of the Series B-7 preferred stock elected to convert 2,334 shares of Series B-7 preferred stock into 13,060 shares of Class A common stock, at a price per share of approximately $1.79 pursuant to the terms of the Series B-7 certificate of designation. The issuance of the Class A common stock in exchange for the Series B-7 preferred stock was made in reliance on the exemption provided by Section 3(a)(9) of the Securities Act.

On July 13, 2026 the holder of the Series B-6 preferred stock elected to convert 96,558 shares of Series B-6 preferred stock into 383,046 shares of Class A common stock, at a price per share of approximately $2.52 pursuant to the terms of the Series B-6 certificate of designation. The issuance of the Class A common stock in exchange for the Series B-6 preferred stock was made in reliance on the exemption provided by Section 4(a)(2) of the Securities Act.

On July 13, 2026 the holder of the Series B-9 preferred stock elected to convert 120,910 shares of Series B-9 preferred stock into 226,005 shares of Class A common stock, at a price per share of approximately $5.35 pursuant to the terms of the Series B-9 certificate of designation. On October 12, 2026, the holder of the Series B-9 preferred stock elected to convert 30,228 shares of Series B-9 preferred stock into 56,502 shares of Class A common stock, at a price per share of approximately $5.35 pursuant to the terms of the Series B-9 certificate of designation. The issuance of the Class A common stock in exchange for the Series B-9 preferred stock was made in reliance on the exemption provided by Section 3(a)(9) of the Securities Act.

On June 27, 2023, the Company entered into a Standby Equity Purchase Agreement (the "2023 SEPA") with Yorkville. No shares were issued in the current quarter under the 2023 SEPA.

From June 29, 2026 through September 16, 2026, the Company issued an aggregate of 2,902,240 shares of Class A common stock under the A&R SEPA, consisting of: (i) 280,631 shares of Class A common stock issued on June 29, 2026 as payment of a commitment fee, (ii) 37,778 shares of Class A common stock issued on August 7, 2026 upon conversion of approximately $100,548 aggregate principal amount of the Promissory Notes, plus associated accrued interest, (iii) 881,589 shares of Class A common stock issued on September 11, 2026 upon conversion of approximately $1,109,370 aggregate principal amount of the Promissory Notes, plus associated accrued interest, and (iv) 1,702,242 shares of Class A common stock issued on September 16, 2026 upon conversion of approximately $1,514,995 aggregate principal amount of the Promissory Notes, plus associated accrued interest. The issuance of the Class A common stock underlying the Promissory Notes was made in reliance on the exemption provided by Section 3(a)(9) of the Securities Act.

Equity Awards Arbitration

On December 16, 2022, a former member of the Board of Directors of Beneficient Management, LLC (the "Claimant") initiated a private arbitration in the International Court of Arbitration of the International Chamber of Commerce, challenging the termination of certain equity awards under two incentive plans by the administrator of the incentive plans. The Claimant sought total damages of $36.3 million plus attorney's fees and punitive damages. On April 23, 2024, the sole arbitrator held that in terminating the Claimant's equity awards, the Company had breached its contractual obligations, and as a result, awarded the Claimant $55.3 million in compensatory damages, including pre-judgment interest, plus post-judgment interest (the "Arbitration Award"). Neither attorneys' fees nor punitive damages were awarded to the Claimant. The Company was also asked to pay arbitration-related costs in the amount of approximately $0.1 million. The Company recorded a loss related to the Arbitration Award in the year ended March 31, 2024 consolidated statement of comprehensive income (loss) in the amount of $55.0 million.

On July 29, 2024, the Texas State District Court, Dallas County 134th Judicial District (the "Texas District Court") entered an order vacating the Arbitration Award in its entirety. The Texas District Court directed the parties to file motions requesting any further relief that may be available within twenty days of the order. On August 2, 2024, the Claimant filed an appeal to challenge the order vacating the Arbitration Award in the Texas Fifth Court of Appeals. The Claimant filed his opening brief on October 28, 2024, and the Company filed its response brief on January 21, 2025. On February 10, 2025, the Claimant filed his reply brief. The Texas Fifth Court of Appeals heard oral arguments in April 2025. On October 10, 2025, the Texas Fifth Court of Appeals reversed the judgment of the Texas District Court and confirmed the previous Arbitration Award. On November 12, 2025, the Company filed a motion for re-hearing with the Texas Fifth Court of Appeals. On May 13, 2026, the Texas Fifth Court of Appeals denied the Company's motion for re-hearing. On June 4, 2026, the Company filed a petition for review with the Supreme Court of Texas requesting that it reverse the Texas Fifth Court of Appeals' ruling and reinstate the trial court's decision to vacate the arbitration award, which was denied by the Supreme Court of Texas on September 9, 2026. The Supreme Court of Texas also denied the Company's motion for rehearing on October 30, 2026. The Company will continue to vigorously defend itself in this matter and we are exploring available options with respect to the Arbitration Award, which may include working with the claimant on settlement terms that could reduce the potential near term cash obligations associated with the arbitration. There can be no assurance that we will be able to reach a settlement on terms that are favorable to us or at all.

As a result of the order issued on July 29, 2024, the Company released the liability associated with the Arbitration Award, which resulted in the release of the previously recognized loss contingency accrual in the amount of $55.0 million being reflected in the six months ended September 30, 2024 consolidated statement of comprehensive income (loss). As a result of the order issued on October 10, 2025, the Company recorded a loss contingency associated with the Arbitration Award, including post-judgment interest and fees, which resulted in a loss of $62.8 million being reflected in the six months ended September 30, 2025 consolidated statement of comprehensive income (loss). Additional interest accruing on the Arbitration Award during the three and six months ended September 30, 2026 totaled $1.8 million and $3.6 million, respectively,

compared to $1.7 million and $1.7 million for the same periods of 2025, respectively, and is reflected in the interest expense line item in the consolidated statements of comprehensive income (loss).

Key Factors Affecting Our Business

Our business is affected by a variety of factors, including conditions in the financial markets and economic and political conditions in the markets in which we operate, as well as changes in global economic conditions and regulatory or other governmental policies or actions, which can materially affect the values of the investments held by the Customer ExAlt Trusts, the cash flows of which collateralize Ben Liquidity's ExAlt Loans.

In addition to these macroeconomic trends and market factors, we believe our future performance will be influenced by the following factors:

- *Ability to execute on existing and new strategies and products and services to attract Customers.* We currently offer or plan to offer a suite of complementary fiduciary and other financial products and services designed to address many of the challenges alternative asset market participants face in connection with their ownership, management, and transfer of alternative assets. These products and services are generally not readily available in the marketplace today. We believe that these new products and services will meet the complex needs of potential Customers on a large scale across our target market.
- *The extent to which future investment allocations of potential Customers favor private markets investments.* Estimates of future performance of our future liquidity solutions business rely in part on the attractiveness of new capital being deployed by potential Customers to private markets relative to traditional asset classes. We believe that allocation to alternative assets by MHNW individual investors and STMI investors, along with the turnover rate demanded by MHNW individual investors and STMI investors will continue to increase, with annual alternative asset liquidity demands increasing due to the overall growth in the alternative asset market.
- *Successful deployment of financing capital into collateral comprised of attractive investments.* The successful identification of attractive investments as collateral to the financing transactions executed in our liquidity solutions business will impact future performance. We believe we identify specific investments that provide sufficient collateral to our fiduciary financings and that we have established a repeatable process in order to capitalize on these fiduciary financing opportunities through our underwriting and risk processes culminating in a qualification determination and proposed fiduciary financing terms for our Customers.
- *Volatility in the price of our Class A common stock.* The price of our Class A common stock may impact our ability to enter into liquidity transactions with our Customers. If our stock price declines, our potential Customers may be less likely to engage with us and accept our Class A common stock, or securities convertible into our Class A common stock, in exchange for their alternative assets. Furthermore, a significant sustained decrease in our stock price has in the past been an indicator, and in the future may indicate, that impairment is present and may require a quantitative impairment assessment of our assets including goodwill and intangible assets. Any such future impairment charges for goodwill may reduce our overall assets and may result in a change in the perceived value of the Company and ultimately may be reflected as a reduction in the market price of our securities. Additionally, we have begun to enter into financings in which the Customer ExAlt Trusts use our Class A common stock or convertible preferred stock as consideration to meet capital calls or make other capital contributions in alternative asset funds, which in turn hold such securities as an investment. Volatility, either positively or negatively, in the price of our Class A common stock may have a compounding effect on our consolidated investment income and cause further decreases in our stock price in the event our securities comprise a significant portion of such alternative asset funds' aggregate assets. We have received delisting notices from Nasdaq in the past related to noncompliance with certain Nasdaq continued listing rules. On November 5, 2026, we received a letter from the Listing Qualifications Department of Nasdaq notifying us that, for the 30 consecutive business days from September 24 through November 4, 2026, the Market Value of Listed Securities ("MVLS") of the Company was below the $35 million minimum required for continued listing under Nasdaq Listing Rule 5550(b)(2). Under Listing Rule 5810(c)(3)(C), we have a compliance period of 180 calendar days, or until May 4, 2027, to regain compliance, which requires our MVLS to close at $35 million or more for a minimum of ten consecutive business days (or such longer period, generally not more than 20 consecutive business days, as Nasdaq may require). If we do not regain compliance by May 4, 2027, we expect to receive written notification that our securities are subject to delisting**,** at which time we may appeal the determination to a Hearings Panel. There can be no assurance that we will regain compliance or maintain compliance with the other applicable listing requirements. See Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q for more information.
- *Our ability to maintain our data and regulatory advantage relative to competitors.* Our proprietary data and technology platforms, analytical tools and deep industry knowledge allow us to provide our Customers with

customized solutions, including trust custody and administration services, data and analytics products and services, and broker-dealer services in connection with our core liquidity products and services. Our ability to maintain our data advantage is dependent on a number of factors, including our continued access to a broad set of private market information and our ability to grow our relationships with potential Customers and their advisors throughout our distribution network. Additionally, we are or will become subject to extensive regulation under federal, state and international law. These complex regulatory and tax environments could restrict our operations and subject us to increased compliance costs and administrative burdens, as well as restrictions on our business activities.

- *Our ability to maintain our competitive position.* We believe we have several competitive and structural advantages that position us as a preferred provider of liquidity and other attendant services to the MHNW individual investor and STMI investor segments. We expect these advantages will enable us to provide unique products and services to potential Customers that have traditionally been difficult to access by the MHNW individual investor and STMI investor segments. Our ability to attract and successfully deploy capital in the future is dependent on maintaining our leading competitive positioning in our target markets.
- *Unpredictable global macroeconomic conditions*. Global economic conditions, including political environments, financial market performance, interest rates, credit spreads or other conditions beyond our control, all of which affect the performance of the assets held by the Customer ExAlt Trusts, are unpredictable and could negatively affect the performance of our portfolio or the ability to raise funds in the future. In addition, the cash flows from these investments, which collateralize the ExAlt Loans, are exposed to the credit risks of the financial institutions at which they are held. Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties, or the financial services industry generally, could lead to market-wide liquidity problems and jeopardize our ability to access existing cash, cash equivalents and investments.
- *Our ability to access capital at attractive rates.* Our ability to complete, and the costs associated with, future debt transactions depends primarily upon credit market conditions and our then perceived creditworthiness. We have no control over market conditions. Our ability to obtain credit depends upon evaluations of our business practices and plans, including our performance, ability to stagger our debt maturities and to balance our use of debt and equity capital so that our financial performance and leverage ratios afford us flexibility to withstand any reasonably anticipated adverse changes. We intend to conduct our business activities in a manner which will afford us reasonable access to capital for investment and financing activities. However, as discussed elsewhere in this Quarterly Report on Form 10-Q, the economic conditions, as well as the impacts of the current, and possibly future, inflationary conditions, volatile interest rates and a possible recession are uncertain and may have various negative consequences on us and our operations including a decline in financing availability and increased costs for financing. Further, such conditions could also disrupt the capital markets generally and limit our access to financing from public sources or on favorable terms, particularly if the global financial markets experience significant disruptions.

Current Events

In February 2026, the U.S. and Israel launched coordinated military strikes against Iran, which retaliated with missile attacks across the region. In October 2023, following a series of attacks by Hamas on Israeli civilian and military targets, Israel declared war on Hamas in Gaza. In February 2022, the Russian Federation and Belarus commenced a military action with the country of Ukraine and as a result, various nations, including the United States, have instituted economic sanctions against the Russian Federation and Belarus. These ongoing conflicts could have a negative impact on the economy and business activity globally (including in the countries in which the Customer ExAlt Trusts currently holds investments or may hold investments in the future), and therefore, could adversely affect the performance of the Customer ExAlt Trusts' investments.

The extent and impact of any sanctions imposed in connection with the ongoing conflicts between Russia and Ukraine and in the Middle East has caused and may continue to cause financial market volatility and impact the global economy. Volatility and disruption in the equity and credit markets can adversely affect the portfolio companies underlying the investments held by the Customer ExAlt Trusts and adversely affect the investment performance. Our ability to manage exposure to market conditions is limited. Market deterioration could cause the Company to experience reduced liquidity, earnings and cash flow, recognize impairment charges, or face challenges in raising capital and making investments on attractive terms. Adverse market conditions can also affect the ability of investment funds held by the Customer ExAlt Trusts to liquidate positions in a timely and efficient manner. As a result, this presents material uncertainty and risk with respect to the performance of the investments held by the Customer ExAlt Trusts, even though the Customer ExAlt Trusts do not hold any investments with material operations in Russia, Ukraine, Israel, or Iran. The cash flows from the investments held by the Customer ExAlt Trusts serve as the collateral to the ExAlt Loans and the fees that are paid by the Customer ExAlt Trusts to Ben for administering these trusts, both of which are key determinants in the income allocated to Ben's and BCH's equity holders.

Further, uncertainty in the capital markets, generally due to volatility in interest rates, inflation, changes in regulatory requirements and tariffs and their impact on the economy, may make it challenging to raise additional capital, and such capital may not be available to us on acceptable terms on a timely basis, or at all. If adequate funds are not available, or if the terms of potential funding sources are unfavorable, our business would be harmed.

Further, these events may result in reduced opportunities for future liquidity solution transactions with our customers and make it more difficult for the Customer ExAlt Trusts to exit and realize value from its existing investments, potentially resulting in a decline in the value of the investments held by the Customer ExAlt Trusts. Such a decline could cause our revenue and net income to decline, including the revenues and net income allocated to Ben's and BCH's equity holders.

We continue to evaluate the impact of the ongoing conflicts between Russia and Ukraine and in the Middle East and other items, such as inflation, volatile interest rates, changes in regulatory requirements and tariffs, and assess the impact on financial markets and our business. Our future results may be adversely affected by slowdowns in fundraising activity and the pace of new liquidity transactions with our customers.

Factors Affecting the Comparability of Our Financial Condition and Results of Operations

In addition to the items mentioned above in the "*Recent Developments*" section, our historical financial condition and results of operations for the periods presented may not be comparable, either from period to period or going forward, primarily for the following reasons:

- *Accrual (Release) of Equity Awards Arbitration Loss Contingency.* During the year ended March 31, 2024, the Company accrued a loss contingency based on the findings of the sole arbitrator that in terminating the equity awards of a former member of the Board of Directors of Beneficient Management, LLC, the Company had breached its contractual obligations, and as a result, the sole arbitrator awarded the former board member the Arbitration Award. During the six months ended September 30, 2025, the Company released the loss contingency accrual based on the Texas State District Court, Dallas County 134th Judicial District entering an order vacating the Arbitration Award in its entirety. On October 10, 2025, the Texas Fifth Court of Appeals reversed the judgment of the Texas District Court and confirmed the previous Arbitration Award. Thus, the Company recorded a loss contingency associated with the Arbitration Award, including post-judgment interest and fees, which resulted in a loss of $62.8 million during the six months ended September 30, 2025. In addition to the loss contingency, we have recorded interest accruing on the Arbitration Award. Interest accruing on the Arbitration Award during the three and six months ended September 30, 2026 totaled $1.8 million and $3.6 million, respectively, compared to $1.7 million and $1.7 million for the same periods of 2025, respectively, and is reflected in the interest expense line item in the consolidated statements of comprehensive income (loss). Thus, the fiscal year 2026 year-to-date amounts reflect the accrual of the Arbitration Award of $62.8 million and post judgment interest accrual while the fiscal year 2027 year-to-date amounts reflect only the post judgment interest accrual in the amounts disclosed above. The total accrual of the Arbitration Award, plus post-judgment interest and fees, is $71.5 million as of September 30, 2026.
- *Derivative asset recognized in Limited Conversion.* During October 2025, an embedded derivative related to the appreciation forfeiture provision involving the Class A common stock issued as part of the conversion of BCH Preferred A-1 into Class A common stock (the "Limited Conversion") was bifurcated and recorded as a derivative asset at fair value on the conversion date, with subsequent changes in fair value recognized in gain (loss) on financial instruments, net. During the three and six months ended September 30, 2026, unrealized loss on the change in fair value was recognized totaling $13.9 million and $17.7 million, respectively. There were not such amounts in the prior year periods since the embedded derivative did not exist prior to October 2025. The derivative asset is remeasured at each reporting date until settlement on January 1, 2028.
- *Goodwill Impairment.* Goodwill is tested for impairment at least annually and, more frequently between annual tests, whenever events or circumstances make it more likely than not that the fair value of a reporting unit has fallen below its carrying value. Subsequent to the public listing on June 8, 2023, and through September 30, 2026, the Company has, at times, experienced a significant sustained decline in the price of its Class A common stock and its related market capitalization. We believed that these factors indicated that the fair value of our reporting units had more likely than not fallen below their carrying values for the quarter ended September 30, 2026. As a result, during fiscal 2027, we wrote the carrying value of the Ben Custody reporting unit down to its estimated fair value. Cumulatively, during fiscal 2027, we recognized a non-cash goodwill impairment charge totaling $1.5 million. No non-cash goodwill impairment charge was recorded during fiscal 2026. The cumulative impairment of goodwill through September 30, 2026, is $2.4 billion. Total goodwill remaining as of September 30, 2026 is $8.4 million. Goodwill impairment charges are reflected in the loss on impairment of goodwill and intangible assets in the consolidated statements of comprehensive income (loss).

Key Performance Indicators

We use certain non-GAAP financial measures to supplement our consolidated financial statements, which are presented in accordance with U.S. GAAP. These non-GAAP financial measures include adjusted revenue and adjusted operating income (loss). A non-GAAP financial measure is a numerical measure that departs from U.S. GAAP because it includes or excludes amounts that are required under U.S. GAAP. Non-GAAP financial measures are unaudited and should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP, and non-GAAP financial measures as used by Ben may not be comparable to similarly titled measures used by other companies. The presentation of non-GAAP financial measures provides additional information to investors regarding our results of operations that management believes is useful for trending, analyzing and benchmarking the performance of our business. See "*—Supplemental Unaudited Presentation of Non-GAAP Financial Information*," below, for a reconciliation of adjusted revenue to revenue and adjusted operating income (loss) to operating income (loss), the most comparable U.S. GAAP measures, respectively.

In addition to our U.S. GAAP and non-GAAP financial information, we utilize several key indicators of financial condition and operating performance to assess the various aspects of our business. We monitor the following operating metrics to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions. We believe the following key metrics are useful in evaluating our business:

(in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Ben Liquidity				
Loan payments received	$ 4,530	$ 10,531	$ 8,550	$ 35,140
Operating income (loss)	(17,299)	(821)	(9,945)	(6,838)
Adjusted operating income (loss)[1]	(17,299)	(821)	(9,945)	(6,838)
Ben Custody				
Fee payments received	$ 3,276	$ 1,919	$ 3,784	$ 3,269
Operating income (loss)	198	2,292	1,548	5,420
Adjusted operating income (loss)[1]	1,677	2,292	3,027	5,420
Consolidated				
Revenue	$ (25,286)	$ (2,763)	$ (13,121)	$ (15,386)
Adjusted revenue[1]	(14,400)	(2,759)	1,525	(15,381)
Operating income (loss)	(39,348)	(17,864)	(39,725)	(110,512)
Adjusted operating income (loss)[1]	(23,514)	(12,588)	(17,787)	(37,768)

[1] Adjusted revenue and adjusted operating income (loss) are non-GAAP financial measures. For a definition and reconciliation to comparable U.S. GAAP metrics, please see the section titled "— Supplemental Unaudited Presentation of Non-GAAP Financial Information."

(dollars in thousands)	September 30, 2026	March 31, 2026
Ben Liquidity		
Loans to Customer ExAlt Trusts, net	$ 172,331	$ 169,684
Allowance to total loans	71.68 %	70.95 %
Nonperforming loans to total loans	51.52 %	53.65 %
Ben Custody		
Fees receivable	$ 22,268	$ 18,486
Deferred revenue	12,004	12,537
Customer ExAlt Trusts		
Investments, at fair value	$ 201,049	$ 195,536
Distributions to Original Loan Balance	0.80 x	0.80 x
Total Value to Original Loan Balance	1.03 x	1.02 x

Adjusted revenue. We define adjusted revenue as revenue adjusted to exclude the effect of mark-to-market adjustments on related party equity securities that were acquired both prior to and in the Collateral Swap (the "Collateral Swap"), which on August 1, 2023, became interests in the GWG Wind Down Trust and mark-to-market adjustments on derivative asset related

to appreciation forfeiture for shares issued in the Limited Conversion.

Operating income (loss) represents total revenues less operating expenses prior to the provision for income taxes.

Adjusted operating income (loss). We define adjusted operating income (loss) as operating income (loss), adjusted to exclude the effect of the adjustments to revenue described above, credit losses on related party available-for-sale debt securities acquired in the Collateral Swap, which on August 1, 2023, became interests in the GWG Wind Down Trust, and receivables from a related party that filed for bankruptcy and certain notes receivables originated during our formative transactions, non-cash asset impairment, share-based compensation expense, legal, professional services, and public relations costs related to the GWG Holdings bankruptcy, lawsuits, and certain employee matters, including fees and loss contingency accruals (releases), including post-judgment interest, incurred in arbitration with a former director.

Loan payments received represents cash received during the respective period from the Customer ExAlt Trusts as payments on the ExAlt Loans.

Fee payments received represents cash received during the respective period from the Customer ExAlt Trusts as payments on the fees receivable from the Customer ExAlt Trusts.

Loans to Customer ExAlt Trusts, net represents the total ExAlt Loan receivable outstanding, net of the allowance for credit losses. The ExAlt Loans are eliminated solely for financial reporting purposes upon consolidation of the Customer ExAlt Trusts.

Allowance to Total Loans. Allowance to total loans is calculated as total allowance for credit loss divided by total loans.

Nonperforming Loans to Total Loans. Nonperforming loans to total loans is calculated as total nonperforming loans divided by total loans.

Fees receivable, net represents the transaction fees charged to the Customer ExAlt Trusts in connection with liquidity transactions and fees charged for providing full-service trust administration services to the trustees of the Customer ExAlt Trusts. Such amounts are net of any allowance for credit losses associated with these balances. Such fees are eliminated solely for financial reporting purposes upon consolidation of the Customer ExAlt Trusts.

Deferred revenue represents fees charged at the origination of the liquidity transaction that are recognized ratably over the life of the LiquidTrust. Such amount is eliminated solely for financial reporting purposes upon consolidation of the Customer ExAlt Trusts.

Investments, at fair value. Investments held by the Customer ExAlt Trusts include investments in alternative assets, investments in the public equity and debt securities (principally of a related party), and investments in private equity securities. These cash flows from these investments serve as Collateral to the ExAlt Loans.

Distributions to Original Loan Balance, as it relates to the Collateral, is calculated as the total inception-to-date payments from the ExAlt Loans received divided by the initial loan balances of the ExAlt Loans.

Total Value to Original Loan Balance is calculated as the then-current fair value of the Collateral plus the total inception-to-date payments from the ExAlt Loans received, divided by the initial loan balances of the ExAlt Loans.

Principal Revenue and Expense Items

During the three and six months ended September 30, 2026 and 2025, we earned revenues on a consolidated basis from the following primary sources:

- *Investment Income (Loss), net*. Investment income (loss), net, includes the change in NAV of the alternative assets held by certain of the Customer ExAlt Trusts.

For the aforementioned periods, our main components of consolidated expense are summarized below:

- *Interest Expense*. Interest expense includes interest accrued to our senior lender under our amended and restated First Lien Credit Agreement and Second Lien Credit Agreement (as described under "*Liquidity and Capital Resources — Amended Credit Agreements*"), interest on the borrowings under the HH-BDH Credit Agreement, and interest accrued on our other debt due to related parties. When we issue debt, we amortize the financing costs (commissions and other fees) associated with such indebtedness over the outstanding term of the financing and classify it as interest expense. Additional interest accruing on the Arbitration Award during the three and six months ended September 30, 2026 totaled $1.8 million and $3.6 million, respectively, compared to $1.7 million and $1.7 million for the same periods of 2025, respectively, and is reflected in the interest expense line item in the consolidated statements of comprehensive income (loss).

- *Employee Compensation and Benefits*. Employee compensation and benefits include salaries, bonuses and other incentives and costs of employee benefits. Also included are significant non-cash expenses related to the share-based compensation.
- *Professional Services, net*. Professional services, net includes legal fees, audit fees, consulting fees, and other services.

Additional components of our consolidated net earnings include:

- *Gain (Loss) on Financial Instruments, net*. Gain (loss) on financial instruments, net includes the change in fair value of our derivative asset, derivative liability, warrants liability, investments in public equity securities, private equity securities, options, and convertible debt recorded at fair value. Included in our investment in private equity securities and interests is our interest in the GWG Wind Down Trust. Fair value is determined using quoted market prices when available, or other estimates of fair value, when quoted market prices are not available. Any realized gains and losses are recorded on a trade-date basis.
- *Interest Income*. Interest income includes interest earned on cash held in banks.
- *Provision for Credit Losses.* Provision for credit losses represents the amount charged to earnings each period for credit losses incurred on available-for-sale debt securities and for allowances taken on financial assets.
- *Other Expenses*. We recognize and record expenses in our business operations as incurred. Other expenses include software license and maintenance expenses, IT consulting fees, travel and entertainment expenses, other insurance and tax expenses, supplies, costs associated with employee training and dues, transaction expenses, depreciation and amortization expenses, and various other expenses.
- *Loss on impairment of goodwill and intangible assets*. Goodwill and indefinite-lived intangible assets are assessed for impairment on an annual basis and whenever events and circumstances indicate that these assets may be impaired, including, for goodwill, as a result of significant sustained declines in the prevailing prices of our Class A common stock. For goodwill, we compare the fair value of each of our reporting units to its respective carrying value, including goodwill. If the respective carrying value, including goodwill, exceeds the reporting unit's fair value, we will recognize an impairment loss for the amount by which the carrying amount exceeds the reporting unit's fair value, up to the amount of goodwill associated with the reporting unit. Intangible assets with an indefinite life are assessed for impairment annually, when, among other things, a significant change in the extent or manner in which an asset is used, a continual decline in the Company's operating performance, or as a result of fundamental changes in a subsidiary's business condition.

Our operating subsidiaries, Ben Liquidity and Ben Custody, also earn revenue from interest and fees, which are eliminated in consolidation, on the ExAlt Loans between Ben Liquidity and the Customer ExAlt Trusts and for providing trust services and administration between Ben Custody and the Customer ExAlt Trusts. These sources of intersegment revenues, which ultimately impact the net income (loss) attributable to Ben and BCH equity holders, are summarized below.

- *Interest Income*. Interest income is generally comprised of contractual interest, which is a computed variable rate or a fixed rate that compounds monthly, interest recognized on certain of the ExAlt Loans through the effective yield method, and an amortized discount that is recognized ratably over the life of the ExAlt Loan. Loans deemed nonperforming no longer accrue interest income. The ExAlt Loans have a maturity of twelve years, and all principal and interest due thereon is payable at maturity. Since we began our operations in 2017, substantially all of our interest income since inception has been non-cash income that has been capitalized onto the outstanding principal of the ExAlt Loans.

  Interest income earned by Ben from the Customer ExAlt Trusts is eliminated in the presentation of our consolidated financial statements. However, because the eliminated amounts are earned from, and funded by, noncontrolling interests, on a consolidated basis, our attributable share of the net income from the Customer ExAlt Trusts is increased by the amounts eliminated. Accordingly, the elimination in consolidation of interest income and certain fee revenue (as described below) has no effect on net income (loss) attributable to Ben or BCH or to equity holders of Ben or BCH.
- *Trust Services and Administration Revenues.* Trust services and administration revenues include trust administration fees, upfront fees, and collateral management services. Trust administration fees are earned for providing administrative services to trustees for existing liquidity solution customers. Fees are recognized monthly based upon the beginning of quarter (in advance) NAV plus any remaining unfunded loan commitments and the applicable fee rate of the account as outlined in the agreement. Non-refundable upfront fees are earned for setting up and providing the customer access to the ExAlt Plan™. Upfront fees are billed at the origination of the liquidity transaction and are based on a percentage of NAV plus any unfunded capital commitments. Upfront fees are deferred upon receipt and

are recognized ratably over the period of benefit, which is generally consistent with estimated expected life of LiquidTrusts (typically 7 to 10 years). Collateral management service fees are earned for providing collateral monitoring and reporting services and are recognized at the time that the service is delivered to the customer. All such trust administration and upfront fees and related deferred revenue are eliminated in the presentation of our consolidated financial statements. As described above, the elimination in consolidation of the trust administration and upfront fee revenue has no effect on net income (loss) attributable to Ben or BCH or to equity holders of Ben or BCH.

RESULTS OF OPERATIONS — THREE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025 (UNAUDITED)

(in thousands)	Three Months Ended September 30, 2026					
	Ben Liquidity	**Ben Custody**	**Customer ExAlt Trusts**	**Corporate/Other**	**Consolidating Eliminations**	**Consolidated**
External Revenues						
Investment income (loss), net	$ —	$ —	$ (13,834)	$ —	$ —	$ (13,834)
Gain (loss) on financial instruments, net	—	—	3,023	(14,570)	—	(11,547)
Interest and dividend income	—	—	—	10	—	10
Trust services and administration revenues	—	85	—	—	—	85
Intersegment revenues						
Interest income	8,664	—	—	—	(8,664)	—
Trust services and administration revenues	—	2,587	—	—	(2,587)	—
Total revenues	8,664	2,672	(10,811)	(14,560)	(11,251)	(25,286)
External expenses						
Employee compensation and benefits	534	685	—	1,572	—	2,791
Interest expense	2,772	—	—	1,934	—	4,706
Professional services, net	129	90	255	3,019	—	3,493
Loss on impairment of goodwill	—	1,479	—	—	—	1,479
Other expenses	318	220	10	1,045	—	1,593
Intersegment expenses						
Interest expense	—	—	41,593	—	(41,593)	—
Provision for (recovery of) credit losses	22,210	—	—	—	(22,210)	—
Other expenses	—	—	2,587	—	(2,587)	—
Total expenses	25,963	2,474	44,445	7,570	(66,390)	14,062
Operating income (loss)	$ (17,299)	$ 198	$ (55,256)	$ (22,130)	$ 55,139	$ (39,348)
Income tax expense						22
Net income (loss)						$ (39,370)

RESULTS OF OPERATIONS - THREE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025 (UNAUDITED) (cont'd)

(in thousands)

	Three Months Ended September 30, 2025					
	Ben Liquidity	**Ben Custody**	**Customer ExAlt Trusts**	**Corporate/Other**	**Consolidating Eliminations**	**Consolidated**
External Revenues						
Investment income (loss), net	$ —	$ —	$ (3,162)	$ —	$ —	$ (3,162)
Gain (loss) on financial instruments, net	—	—	379	(168)	—	211
Interest and dividend income	—	—	—	10	—	10
Trust services and administration revenues	—	178	—	—	—	178
Intersegment revenues						
Interest income	8,497	—	—	—	(8,497)	—
Trust services and administration revenues	—	2,903	—	—	(2,903)	—
Total revenues	8,497	3,081	(2,783)	(158)	(11,400)	(2,763)
External expenses						
Employee compensation and benefits	248	499	—	1,682	—	2,429
Interest expense	3,169	—	—	1,729	—	4,898
Professional services, net	196	109	622	4,404	—	5,331
Other expenses	209	181	471	1,582	—	2,443
Intersegment expenses						
Interest expense	—	—	37,853	—	(37,853)	—
Provision for credit losses	5,496	—	—	—	(5,496)	—
Other expenses	—	—	2,903	—	(2,903)	—
Total expenses	9,318	789	41,849	9,397	(46,252)	15,101
Operating income (loss)	$ (821)	$ 2,292	$ (44,632)	$ (9,555)	$ 34,852	$ (17,864)
Income tax expense						43
Net income (loss)						$ (17,907)

RESULTS OF OPERATIONS - SIX MONTHS ENDED SEPTEMBER 30, 2026 AND 2025 (UNAUDITED)

(in thousands)	Six Months Ended September 30, 2026					
	Ben Liquidity	**Ben Custody**	**Customer ExAlt Trusts**	**Corporate/Other**	**Consolidating Eliminations**	**Consolidated**
External Revenues						
Investment income (loss), net	$ —	$ —	$ 2,041	$ —	$ —	$ 2,041
Gain (loss) on financial instruments, net	—	—	3,004	(18,317)	—	(15,313)
Interest and dividend income	—	—	—	20	—	20
Trust services and administration revenues	—	131	—	—	—	131
Intersegment revenues						
Interest income	16,879	—	—	—	(16,879)	—
Trust services and administration revenues	—	5,041	—	—	(5,041)	—
Total revenues	16,879	5,172	5,045	(18,297)	(21,920)	(13,121)
External expenses						
Employee compensation and benefits	1,088	1,346	—	3,184	—	5,618
Interest expense	5,510	—	—	3,766	—	9,276
Professional services, net	693	380	542	5,364	—	6,979
Loss on impairment of goodwill	—	1,479	—	—	—	1,479
Other expenses	704	419	10	2,119	—	3,252
Intersegment expenses						
Interest expense	—	—	81,677	—	(81,677)	—
Provision for credit losses	18,829	—	—	—	(18,829)	—
Other expenses	—	—	5,040	—	(5,040)	—
Total expenses	26,824	3,624	87,269	14,433	(105,546)	26,604
Operating income (loss)	$ (9,945)	$ 1,548	$ (82,224)	$ (32,730)	$ 83,626	$ (39,725)
Income tax expense						22
Net income (loss)						$ (39,747)

RESULTS OF OPERATIONS - SIX MONTHS ENDED SEPTEMBER 30, 2026 AND 2025 (UNAUDITED) (cont'd)

(in thousands)

	Six Months Ended September 30, 2025					
	Ben Liquidity	**Ben Custody**	**Customer ExAlt Trusts**	**Corporate/Other**	**Consolidating Eliminations**	**Consolidated**
External Revenues						
Investment income (loss), net	$ —	$ —	$ (15,938)	$ —	$ —	$ (15,938)
Gain (loss) on financial instruments, net	—	—	304	(138)	—	166
Interest and dividend income	—	—	—	20	—	20
Trust services and administration revenues	—	366	—	—	—	366
Intersegment revenues						
Interest income	17,332	—	—	—	(17,332)	—
Trust services and administration revenues	—	6,898	—	—	(6,898)	—
Total revenues	17,332	7,264	(15,634)	(118)	(24,230)	(15,386)
External expenses						
Employee compensation and benefits	632	1,146	—	3,982	—	5,760
Interest expense	6,515	—	—	1,798	—	8,313
Professional services, net	810	318	1,028	11,132	—	13,288
Release of loss contingency related to arbitration award	—	—	—	62,831	—	62,831
Other expenses	448	380	865	3,241	—	4,934
Intersegment expenses						
Interest expense	—	—	74,998	—	(74,998)	—
Provision for credit losses	15,765	—	—	—	(15,765)	—
Other expenses	—	—	6,083	—	(6,083)	—
Total expenses	24,170	1,844	82,974	82,984	(96,846)	95,126
Operating income (loss)	$ (6,838)	$ 5,420	$ (98,608)	$ (83,102)	$ 72,616	$ (110,512)
Income tax expense						43
Net income (loss)						$ (110,555)

CONSOLIDATED

Results of Operations — Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025, and the Six Months Ended September 30, 2026 Compared to the Six Months Ended September 30, 2025 (Unaudited)

Revenues (in thousands)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Investment income (loss), net	$ (13,834)	$ (3,162)	$ 2,041	$ (15,938)
Gain (loss) on financial instruments, net	(11,547)	211	(15,313)	166
Interest and dividend income	10	10	20	20
Trust services and administration revenues	85	178	131	366
Total revenues	**$ (25,286)**	**$ (2,763)**	**$ (13,121)**	**$ (15,386)**

Three Months Ended September 30, 2026 and 2025

Investment loss increased $10.7 million for the three months ended September 30, 2026, compared to the same period of 2025, driven by changes in the NAV of investments in alternative assets held by certain of the Customer ExAlt Trusts or fair value for such investments deemed probable to be sold at an amount that differs from NAV. Investment loss was $13.8 million for the three months ended September 30, 2026, which was driven by $11.3 million of downward adjustments to our relative share of the respective fund's NAV based on updated financial information received from the funds' investment manager or sponsor or the fair value for investments deemed probable to be sold at an amount that differs from NAV, $2.3 million of downward quoted market price adjustments, and $0.2 million of downward adjustments related to foreign currency impacts on investments denominated in currencies other than the U.S. dollar. Investment loss was $3.2 million for the three months ended September 30, 2025, which was driven by $4.7 million of downward adjustments to our relative share of the respective fund's NAV based on updated financial information received from the funds' investment manager or sponsor or the fair value for investments deemed probable to be sold at an amount that differs from NAV and $0.3 million of downward adjustments related to foreign currency impacts on investments denominated in currencies other than the U.S. dollar, partially offset by $1.9 million of upward quoted market price adjustments.

Gain (loss) on financial instruments, net decreased $11.8 million for the three months ended September 30, 2026, compared to the same period of 2025, driven by the changes in fair value of the financial instruments held during the period. Loss on financial instruments, net for three months ended September 30, 2026, was driven by a $13.9 million decrease in the fair value of the derivative asset at period end, which was recognized initially as part of the Limited Conversion that occurred in October 2025, partially offset by a $3.0 million increase in the value of our interests in the GWG Wind Down Trust arising from a distribution received in the period and a $0.7 million loss on the fair value of convertible debt issued during the period. Gain on financial instruments, net for the three months ended September 30, 2025 was primarily driven by a $0.4 million increase in the fair value of public equity securities, offset by a $0.2 million increase in the fair value of our warrants liability.

Six Months Ended September 30, 2026 and 2025

Investment income (loss), net decreased $18.0 million for the six months ended September 30, 2026, compared to the same period of 2025, driven by changes in the NAV of investments in alternative assets held by certain of the Customer ExAlt Trusts or fair value for such investments deemed probable to be sold at an amount that differs from NAV. Investment income was $2.0 million for the six months ended September 30, 2026, which was driven by $5.7 million of upward quoted market price adjustments, offset by $3.3 million of downward adjustments to our relative share of the respective fund's NAV based on updated financial information received from the funds' investment manager or sponsor or the fair value for investments deemed probable to be sold at an amount that differs from NAV and $0.4 million of downward adjustments related to foreign currency impacts on investments denominated in currencies other than the U.S. dollar. Investment loss was $15.9 million for the six months ended September 30, 2025, which was driven by $19.3 million of downward adjustments to our relative share of the respective fund's NAV based on updated financial information received from the funds' investment manager or sponsor, offset by $2.7 million of upward adjustments related to foreign currency impacts on investments denominated in currencies other than the U.S. dollar and $1.1 million of upward quoted market price adjustments.

Gain (loss) on financial instruments, net decreased $15.5 million for the six months ended September 30, 2026, compared to the same period of 2025, driven by the changes in fair value of the financial instruments held during the period. Loss on financial instruments, net for the six months ended September 30, 2026 was driven by a $17.7 million decrease in the fair

value of the derivative asset at period end, which was recognized initially as part of the Limited Conversion that occurred in October 2025, partially offset by a $3.0 million increase in the value of our interests in the GWG Wind Down Trust arising from a distribution received in the period and a $0.7 million loss on the fair value of convertible debt issued during the period. Gain on financial instruments, net for the six months ended September 30, 2025 was primarily driven by a $0.3 million increase in the fair value of public equity securities, offset by a $0.1 million increase in the fair value warrants liability.

Interest and Operating Expenses (in thousands)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Employee compensation and benefits	$ 2,791	$ 2,429	$ 5,618	$ 5,760
Interest expense (including amortization of deferred financing costs)	4,706	4,898	9,276	8,313
Professional services, net	3,493	5,331	6,979	13,288
Loss on impairment of goodwill	1,479	—	1,479	—
Accrual of loss contingency related to arbitration award	—	—	—	62,831
Other expenses	1,593	2,443	3,252	4,934
Total expenses	**$ 14,062**	**$ 15,101**	**$ 26,604**	**$ 95,126**

Three Months Ended September 30, 2026 and 2025

Employee compensation and benefits increased $0.4 million for the three months ended September 30, 2026, compared to the same period in 2025. The increase was related to a $0.7 million increase in payroll and other benefit related costs primarily due to the prior period including reductions to bonus accruals arising from certain employee departures, offset by a decrease in equity-based compensation of approximately $0.3 million.

Interest expense decreased $0.2 million for the three months ended September 30, 2026, compared to the same period in 2025, primarily driven by a $0.4 million decrease in interest expense recognized on the HH-BDH Credit Agreement as a result of the repayment of all outstanding principal under the HH-BDH Credit Agreement in January 2026, offset by a $0.2 million increase in interest expense related to legal proceedings.

Professional services, net expense decreased $1.8 million for the three months ended September 30, 2026, compared to the same period in 2025, primarily due to decreases in legal fees and other professional fees related to the GWG bankruptcy settlement, which received final court approval in January 2026, lower overall expenses in the current year related to various matters involving litigation and professional expenses related to our former CEO's fraudulent actions, and the finalization of invoice reimbursements by the directors and officers insurance carriers above those estimated that were previously recorded as an expense in prior periods.

During the three months ended September 30, 2026, we identified a triggering event related to a significant, sustained decline in our Class A common stock price and the Company's related market capitalization, requiring an interim impairment test for goodwill and as a result, recorded a non-cash impairment charge of $1.5 million related to Ben Custody. During the three months ended September 30, 2025, we concluded that an interim impairment test for goodwill was not required as we did not identify a triggering event during the period that would have required such an analysis. See—*Critical Accounting Estimates* below and Note 5 to the Consolidated Financial Statements in "Part 1, Item 1.—Financial Statements" of this Quarterly Report on Form 10-Q for further information.

Other expenses decreased $0.9 million for the three months ended September 30, 2026, compared to the same period in 2025. The table below provides additional detail regarding our other expenses.

Other Expenses (in thousands)

	Three Months Ended September 30,	
	2026	2025
Other insurance and taxes	$ 634	$ 740
Software license and maintenance	208	324
Depreciation and amortization	125	142
Occupancy and equipment	54	54
Travel and entertainment	15	33
Other expenses	557	1,150
Total other expenses	**$ 1,593**	**$ 2,443**

Six Months Ended September 30, 2026 and 2025

Employee compensation and benefits decreased $0.1 million for the six months ended September 30, 2026, compared to the same period in 2025. The decrease was principally related to a $0.6 million decrease in equity-based compensation, offset by a $0.4 million increase in payroll and other benefit related costs primarily due to the prior period including reductions to bonus accruals arising from certain employee departures.

Interest expense increased $1.0 million for the six months ended September 30, 2026, compared to the same period in 2025, primarily driven by a $2.0 million increase in interest expense related to legal proceedings, a $0.1 million increase in interest expense on the amended and restated First Lien Credit Agreement and Second Lien Credit Agreement due to the purported event of default occurring as of April 14, 2025, offset by a $0.8 million decrease in interest expense recognized on the HH-BDH Credit Agreement as a result of principal paydowns and a $0.3 million decrease of deferred financing cost amortization related to the HH-BDH Credit Agreement arising from prepayments on the outstanding loan balance.

Professional services expenses decreased $6.3 million for the six months ended September 30, 2026, compared to the same period in 2025, primarily due to decreases in legal fees and other professional fees related to the GWG bankruptcy settlement, which received final court approval in January 2026, lower overall expenses in the current year related to various matters involving litigation and professional expenses related to our former CEO's fraudulent actions, and the finalization of invoice reimbursements by the directors and officers insurance carriers above those estimated that were previously recorded as an expense in prior periods.

During the six months ended September 30, 2026, we completed an interim impairment test for goodwill and as a result, recorded non-cash impairment charges totaling $1.5 million related to Ben Custody. During the six months ended September 30, 2025, we concluded that interim impairment tests for goodwill were not required as we did not identify any triggering events during the period that would have required such an analysis. See—*Critical Accounting Estimates* below and Note 5 to the Consolidated Financial Statements in "Part 1, Item 1.—Financial Statements" of this Quarterly Report on Form 10-Q for further information.

Accrual of loss contingency related to arbitration award relates to arbitration involving a former director challenging the termination of certain equity awards under two incentive plans by the administrator of the incentive plans. The loss contingency is based on the Texas Fifth Court of Appeals reversing the judgment of the Texas District Court and confirming the Arbitration Award. The amount reflected during the six months ended September 30, 2025 includes post-judgment interest and fees, resulting in a loss of approximately $62.8 million. Ongoing post-judgment interest costs are reflected in interest expense.

Other expenses decreased $1.7 million for the six months ended September 30, 2026, compared to the same period in 2025. The table below provides additional detail regarding our other expenses.

Other Expenses (in thousands)

	Six Months Ended September 30,	
	2026	2025
Other insurance and taxes	$ 1,286	$ 1,434
Software license and maintenance	414	720
Depreciation and amortization	250	384
Occupancy and equipment	108	105
Travel and entertainment	24	60
Other expenses	1,170	2,231
Total other expenses	**$ 3,252**	**$ 4,934**

BEN LIQUIDITY

Results of Operations — Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025, and the Six Months Ended September 30, 2026 Compared to the Six Months Ended September 30, 2025 (Unaudited)

(in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Revenues				
Interest income	$ 8,664	$ 8,497	$ 16,879	$ 17,332
Expenses				
Employee compensation and benefits	534	248	1,088	632
Interest expense (including amortization of deferred financing costs)	2,772	3,169	5,510	6,515
Professional services	129	196	693	810
Provision for credit losses	22,210	5,496	18,829	15,765
Other expenses	318	209	704	448
Total expenses	25,963	9,318	26,824	24,170
Operating income (loss)	$ (17,299)	$ (821)	$ (9,945)	$ (6,838)

Three Months Ended September 30, 2026 and 2025

Interest income increased $0.2 million during the three months ended September 30, 2026, compared to the same period in 2025. The increase was due to new origination activity over the past several months resulting in additional loans being issued by Ben Liquidity.

Employee compensation and benefits increased by $0.3 million for the three months ended September 30, 2026, compared to the same period in 2025. The increase was related to the prior period including reductions to bonus accruals arising from certain employee departures.

Interest expense decreased by $0.4 million during the three months ended September 30, 2026, compared to the same period in 2025, which was driven by a decrease in interest expense recognized on the HH-BDH Credit Agreement as all outstanding principal due thereunder was repaid by January 2026.

Provision for credit losses was $22.2 million for the three months ended September 30, 2026, compared to $5.5 million as of the same period in 2025. The provision for the current period increased over the prior period primarily due to decline in value of the collateral arising from updated reporting from the investment manager or sponsor and the disposition of funds as part of the Asset Sales Initiative, partially offset by transactions that have closed over the past several months of calendar 2026.

Six Months Ended September 30, 2026 and 2025

Interest income decreased $0.5 million during the six months ended September 30, 2026, compared to the same period in 2025. The decrease was primarily driven by paydowns on loans over the past fifteen months arising from proceeds from

Asset Sales Initiative described elsewhere herein.

Employee compensation and benefits increased by $0.5 million for the six months ended September 30, 2026, compared to the same period in 2025. The increase was related to the prior period including reductions to bonus accruals arising from certain employee departures.

Interest expense decreased $1.0 million during the six months ended September 30, 2026 compared to the same period in 2025, which was driven by a decrease of $0.8 million in interest expense and $0.3 million in deferred financing cost amortization recognized on the HH-BDH Credit Agreement partially offset by an increase of $0.1 million in interest expense recognized on other borrowings.

Provision for credit losses was $18.8 million for the six months ended September 30, 2026, as compared to $15.8 million as of the same period in 2025. The provision for the current period increased over the prior period primarily due to decline in value of the collateral arising from updated reporting from the investment manager or sponsor and the disposition of funds as part of the Asset Sales Initiative, partially offset by transactions that have closed over the past several months of calendar 2026.

BEN CUSTODY

Results of Operations — Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025, and the Six Months Ended September 30, 2026 Compared to the Six Months Ended September 30, 2025 (Unaudited)

(in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues				
Trust services and administration revenues	$ 2,672	$ 3,081	$ 5,172	$ 7,264
Expenses				
Employee compensation and benefits	685	499	1,346	1,146
Professional services, net	90	109	380	318
Loss on impairment of goodwill	1,479	—	1,479	—
Other expenses	220	181	419	380
Total expenses	2,474	789	3,624	1,844
Operating income (loss)	$ 198	$ 2,292	$ 1,548	$ 5,420

Three Months Ended September 30, 2026 and 2025

Trust services and administration revenues decreased $0.4 million for the three months ended September 30, 2026, compared to the same period in 2025 driven by a decrease in the NAV of the alternative assets held by the Customer ExAlt Trusts, which is an input into the calculation of the recurring trust services revenues. The primary driver of the lower NAV of alternative assets held by the Customer ExAlt Trusts is the Asset Sales Initiative as described under “Recent Developments - Asset Sales Initiative”.

During the three months ended September 30, 2026, we identified a triggering event related to a significant, sustained decline in our Class A common stock price and the Company’s related market capitalization, requiring an interim impairment test for goodwill and as a result, we recognized a non-cash impairment charge of $1.5 million for this reporting unit. During the three months ended September 30, 2025, we concluded that an interim impairment test for goodwill was not required as we did not identify a triggering event during the period that would have required such an analysis. See—*Critical Accounting Estimates* below and Note 5 to the Consolidated Financial Statements in “Part 1, Item 1.—Financial Statements” of this Quarterly Report on Form 10-Q for further information.

Six Months Ended September 30, 2026 and 2025

Trust services and administration revenues decreased $2.1 million for the six months ended September 30, 2026, compared to the same period in 2025, driven by a decrease in the NAV of the alternative assets held by the Customer ExAlt Trusts, which is an input into the calculation of the recurring trust services revenues. The primary driver of the lower NAV of alternative

assets held by the Customer ExAlt Trusts is the Asset Sales Initiative as described under "Recent Developments - Asset Sales Initiative". The first completed transaction under the Asset Sales Initiative closed in June 2025.

During the six months ended September 30, 2026, we identified a triggering event related to a significant, sustained decline in our Class A common stock price and the Company's related market capitalization, requiring an interim impairment test for goodwill and as a result, we recognized a non-cash impairment charge of $1.5 million for this reporting unit. During the six months ended September 30, 2025, we concluded that an interim impairment test for goodwill was not required as we did not identify a triggering event during the period that would have required such an analysis. See—*Critical Accounting Estimates* below and Note 5 to the Consolidated Financial Statements in "Part 1, Item 1.—Financial Statements" of this Quarterly Report on Form 10-Q for further information.

CUSTOMER EXALT TRUSTS

Results of Operations — Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025, and the Six Months Ended September 30, 2026 Compared to the Six Months Ended September 30, 2025 (Unaudited)

(in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues				
Investment income (loss), net	$ (13,834)	$ (3,162)	$ 2,041	$ (15,938)
Gain (loss) on financial instruments, net	3,023	379	3,004	304
Total revenues	(10,811)	(2,783)	5,045	(15,634)
Expenses				
Interest expense	41,593	37,853	81,677	74,998
Professional services, net	255	622	542	1,028
Other expenses	2,597	3,374	5,050	6,948
Total expenses	44,445	41,849	87,269	82,974
Operating income (loss)	$ (55,256)	$ (44,632)	$ (82,224)	$ (98,608)

Three Months Ended September 30, 2026 and 2025

Investment loss increased $10.7 million for the three months ended September 30, 2026, compared to the same period of 2025, driven by changes in the NAV of investments in alternative assets held by certain of the Customer ExAlt Trusts or fair value for such investments deemed probable to be sold at an amount that differs from NAV. Investment loss was $13.8 million for the three months ended September 30, 2026, which was driven by $11.3 million of downward adjustments to our relative share of the respective fund's NAV based on updated financial information received from the funds' investment manager or sponsor or the fair value for investments deemed probable to be sold at an amount that differs from NAV, $2.3 million of downward quoted market price adjustments, and $0.2 million of downward adjustments related to foreign currency impacts on investments denominated in currencies other than the U.S. dollar. Investment loss was $3.2 million for the three months ended September 30, 2025, which was driven by $4.7 million of downward adjustments to our relative share of the respective fund's NAV based on updated financial information received from the funds' investment manager or sponsor or the fair value for investments deemed probable to be sold at an amount that differs from NAV and $0.3 million of downward adjustments related to foreign currency impacts on investments denominated in currencies other than the U.S. dollar, partially offset by $1.9 million of upward quoted market price adjustments.

Gain (loss) on financial instruments, net increased $2.6 million for the three months ended September 30, 2026, compared to the same period of 2025, driven by the changes in fair value of the financial instruments held during the period. Gain on financial instruments, net for three months ended September 30, 2026, was primarily driven by a $3.0 million increase in the value of our interests in the GWG Wind Down Trust arising from a distribution received in the period. Gain on financial instruments, net for the three months ended September 30, 2025, was primarily driven by a $0.4 million increase in the fair value of public equity securities.

Interest expense increased $3.7 million for the three months ended September 30, 2026, compared to the same period in 2025, which reflects an increase in contractual interest on the ExAlt Loans, driven by the origination of new liquidity

transactions and the compounding of paid-in-kind interest, offset by paydowns of the ExAlt Loans from proceeds generated from the underlying collateral comprised of the alternative assets held by the Customer ExAlt Trusts.

Other expenses decreased $0.8 million for the three months ended September 30, 2026, compared to the same period in 2025 predominately due to reduced fee expense as a result of lower NAV in the current year in comparison to the prior year.

Six Months Ended September 30, 2026 and 2025

Investment income (loss), net decreased $18.0 million for the six months ended September 30, 2026, compared to the same period of 2025, driven by changes in the NAV of investments in alternative assets held by certain of the Customer ExAlt Trusts or fair value for such investments deemed probable to be sold at an amount that differs from NAV. Investment income was $2.0 million for the six months ended September 30, 2026, which was driven by $5.7 million of upward quoted market price adjustments, offset by $3.3 million of downward adjustments to our relative share of the respective fund's NAV based on updated financial information received from the funds' investment manager or sponsor or the fair value for investments deemed probable to be sold at an amount that differs from NAV and $0.4 million of downward adjustments related to foreign currency impacts on investments denominated in currencies other than the U.S. dollar. Investment loss was $15.9 million for the six months ended September 30, 2025, which was driven by $19.3 million of downward adjustments to our relative share of the respective fund's NAV based on updated financial information received from the funds' investment manager or sponsor, offset by $2.7 million of upward adjustments related to foreign currency impacts on investments denominated in currencies other than the U.S. dollar and $1.1 million of upward quoted market price adjustments.

Gain (loss) on financial instruments, net improved by $2.7 million for the six months ended September 30, 2026, compared to the same period of 2025, driven by the changes in fair value of the financial instruments held during the period. Gain on financial instruments, net for the six months ended September 30, 2026 related to a $3.0 million increase in the value of our interests in the GWG Wind Down Trust arising from a distribution received in the period. Gain on financial instruments, net for the six months ended September 30, 2025 was primarily related to a $0.3 million increase in the fair value of public equity securities.

Interest expense increased $6.7 million for the six months ended September 30, 2026, compared to the same period in 2025, which reflects an increase in contractual interest on the ExAlt Loans, driven by the origination of new liquidity transactions and the compounding of effects of paid-in-kind interest offset by paydowns of the ExAlt Loans from proceeds generated from the underlying collateral comprised of the alternative assets held by the Customer ExAlt Trusts.

Other expenses decreased $1.9 million for the six months ended September 30, 2026, compared to the same period in 2025 predominately due to reduced fee expense as a result of lower NAV in the current year in comparison to the prior year.

CORPORATE AND OTHER

Results of Operations — Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025, and the Six Months Ended September 30, 2026 Compared to the Six Months Ended September 30, 2025 (Unaudited)

(in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues				
Gain (loss) on financial instruments, net	$ (14,570)	$ (168)	$ (18,317)	$ (138)
Interest income	10	10	20	20
Total revenues	(14,560)	(158)	(18,297)	(118)
Expenses				
Employee compensation and benefits	1,572	1,682	3,184	3,982
Interest expense (including amortization of deferred financing costs)	1,934	1,729	3,766	1,798
Professional services, net	3,019	4,404	5,364	11,132
Accrual of loss contingency related to arbitration award	—	—	—	62,831
Other expenses	1,045	1,582	2,119	3,241
Total expenses	7,570	9,397	14,433	82,984
Operating income (loss)	$ (22,130)	$ (9,555)	$ (32,730)	$ (83,102)

Three Months Ended September 30, 2026 and 2025

Gain (loss) on financial instruments, net increased $14.4 million for the three months ended September 30, 2026, compared to the same period of 2025, driven by the changes in fair value of the financial instruments held during the period. Loss on financial instruments, net for the three months ended September 30, 2026, included a $13.9 million decrease in the fair value of the derivative asset at period end, which was recognized initially as part of the Limited Conversion that occurred in October 2025 and a $0.7 million loss on the fair value of convertible debt issued during the period.

Employee compensation and benefits decreased $0.1 million for the three months ended September 30, 2026, compared to the same period in 2025. The decrease was driven by a $0.3 million decrease in equity-based compensation offset by a $0.2 million increase in payroll and other benefit-related costs due to the prior period including reductions to bonus accruals arising from certain employee departures.

Interest expense increased $0.2 million during the three months ended September 30, 2026, compared to the same period in 2025, driven by an increase in interest expense related to legal proceedings due to compounding interest.

Professional services, net expense decreased $1.4 million for the three months ended September 30, 2026, compared to the same period in 2025, primarily due to decreases in legal fees and other professional fees related to the GWG bankruptcy settlement, which received final court approval in January 2026, lower overall expenses in the current year related to various matters involving litigation and professional expenses related to our former CEO's fraudulent actions, and the finalization of invoice reimbursements by the directors and officers insurance carriers above those estimated that were previously recorded as an expense in prior periods.

Other expenses decreased $0.5 million during the three months ended September 30, 2026, compared to the same period in 2025, primarily driven by a decrease in various categories, including software licensing, and subscription expenses.

Six Months Ended September 30, 2026 and 2025

Gain (loss) on financial instruments, net increased $18.2 million for the six months ended September 30, 2026, compared to the same period of 2025, driven by the changes in fair value of the financial instruments held during the period. Loss on financial instruments, net for the six months ended September 30, 2026, includes a $17.7 million decrease in the fair value of the derivative asset at period end, which was recognized initially as part of the Limited Conversion that occurred in October 2025 and a $0.7 million loss on the fair value of convertible debt issued during the period. Loss on financial instruments, net for the six months ended September 30, 2025, included a $0.1 million increase in the fair value of our warrants liability.

Employee compensation and benefits decreased $0.8 million for the six months ended September 30, 2026, compared to the same period in 2025. The decrease was driven by a $0.6 million decrease in equity-based compensation and $0.2 million decrease in payroll and other benefit-related costs related to lower headcount in 2026 as compared to 2025.

Interest expense increased $2.0 million during the six months ended September 30, 2026, compared to the same period in 2025, driven by increases in interest expense related to legal proceedings that did not exist in the prior year.

Professional services decreased $5.8 million during the six months ended September 30, 2026, compared to the same period in 2025, due to decreases in legal fees and other professional fees related to the GWG bankruptcy settlement, which received final court approval in January 2026, lower overall expenses in the current year related to various matters involving litigation and professional expenses related to our former CEO's fraudulent actions, and the finalization of invoice reimbursements by the directors and officers insurance carriers above those estimated that were previously recorded as an expense in prior periods.

Accrual of loss contingency related to arbitration award relates to arbitration involving a former director challenging the termination of certain equity awards under two incentive plans by the administrator of the incentive plans. The loss contingency is based on the Texas Fifth Court of Appeals reversing the judgment of the Texas District Court and confirming the Arbitration Award. The amount reflected during the six months ended September 30, 2025 includes post-judgment interest and fees through June 30, 2025, resulting in a loss of approximately $62.8 million. Ongoing post-judgment interest costs are reflected in interest expense.

Other expenses decreased $1.1 million for the six months ended September 30, 2026, compared to the same period in 2025, primarily driven by a decrease in various categories, including software licensing, computer expenses, subscriptions, and depreciation expenses.

Supplemental Unaudited Presentation of Non-GAAP Financial Information

Adjusted revenue and adjusted operating income (loss) are non-GAAP financial measures. We present these non-GAAP financial measures because we believe it helps investors understand underlying trends in our business and facilitates an

understanding of our operating performance from period to period because it facilitates a comparison of our core business operating results. These non-GAAP financial measures are intended as a supplemental measure of our performance that is neither required by, nor presented in accordance with, U.S. GAAP. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of these non-GAAP financial measures may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate such items in the same way.

We define adjusted revenue as revenue adjusted to exclude the effect of mark-to-market adjustments on related party equity securities that were acquired both prior to and during the Collateral Swap, which on August 1, 2023, became interests in the GWG Wind Down Trust and mark-to-market adjustments on derivative asset related to appreciation forfeiture for shares issued in the Limited Conversion.

We define adjusted operating income (loss) as operating income (loss), adjusted to exclude the effect of the adjustments to revenue as described above, credit losses on related party available-for-sale debt securities that were acquired in the Collateral Swap, which on August 1, 2023, became interests in the GWG Wind Down Trust, non-cash asset impairment, share-based compensation expense, and legal, professional services, and public relations costs related to the GWG Holdings bankruptcy, lawsuits, and certain employee matters, including fees and loss contingency accruals (releases), including post-judgment interest, incurred in arbitration with a former director.

These non-GAAP financial measures are not a measure of performance or liquidity calculated in accordance with U.S. GAAP. They are unaudited and should not be considered an alternative to, or more meaningful than, revenue or operating income (loss) as an indicator of our operating performance. Uses of cash flows that are not reflected in adjusted operating income (loss) include capital expenditures, interest payments, debt principal repayments, and other expenses, which can be significant. As a result, adjusted operating income (loss) should not be considered as a measure of our liquidity.

Because of these limitations, adjusted revenue and adjusted operating income (loss) should not be considered in isolation or as a substitute for performance measures calculated in accordance with U.S. GAAP. We compensate for these limitations by relying primarily on our U.S. GAAP results and using adjusted revenue and adjusted operating income (loss) on a supplemental basis. You should review the reconciliation of revenue to adjusted revenue and operating income (loss) to adjusted operating income (loss) set forth below and not rely on any single financial measure to evaluate our business.

The following tables set forth a reconciliation of adjusted revenue to revenue and adjusted operating income (loss) to operating income (loss), the most directly comparable U.S. GAAP measures, using data derived from our consolidated financial statements for the periods indicated:

(in thousands)	**Three Months Ended September 30, 2026**					
	Ben Liquidity	**Ben Custody**	**Customer ExAlt Trusts**	**Corporate/Other**	**Consolidating Eliminations**	**Consolidated**
Total revenues	$ 8,664	$ 2,672	$ (10,811)	$ (14,560)	$ (11,251)	$ (25,286)
Mark to market adjustment on interests in the GWG Wind Down Trust	—	—	(3,029)	—	—	(3,029)
Mark to market adjustment on derivative asset	—	—	—	13,915	—	13,915
Adjusted revenues	$ 8,664	$ 2,672	$ (13,840)	$ (645)	$ (11,251)	$ (14,400)
Operating income (loss)	$ (17,299)	$ 198	$ (55,256)	$ (22,130)	$ 55,139	$ (39,348)
Mark to market adjustment on interests in the GWG Wind Down Trust	—	—	(3,029)	—	—	(3,029)
Mark to market adjustment on derivative asset	—	—	—	13,915	—	13,915
Goodwill impairment	—	1,479	—	—	—	1,479
Accrual of loss contingency related to arbitration award, including post-judgment interest	—	—	—	1,837	—	1,837
Share-based compensation expense	—	—	—	163	—	163
Legal and professional fees[1]	—	—	—	1,469	—	1,469
Adjusted operating income (loss)	$ (17,299)	$ 1,677	$ (58,285)	$ (4,746)	$ 55,139	$ (23,514)

[1] Includes legal and professional fees related to lawsuits.

(in thousands)	Three Months Ended September 30, 2025					
	Ben Liquidity	**Ben Custody**	**Customer ExAlt Trusts**	**Corporate/Other**	**Consolidating Eliminations**	**Consolidated**
Total revenues	$ 8,497	$ 3,081	$ (2,783)	$ (158)	$ (11,400)	$ (2,763)
Mark to market adjustment on interests in the GWG Wind Down Trust	—	—	4	—	—	4
Mark to market adjustment on derivative asset	—	—	—	—	—	—
Adjusted revenues	$ 8,497	$ 3,081	$ (2,779)	$ (158)	$ (11,400)	$ (2,759)
Operating income (loss)	$ (821)	$ 2,292	$ (44,632)	$ (9,555)	$ 34,852	$ (17,864)
Mark to market adjustment on interests in the GWG Wind Down Trust	—	—	4	—	—	4
Accrual of loss contingency related to arbitration award, including post-judgment interest	—	—	—	1,656	—	1,656
Share-based compensation expense	—	—	—	462	—	462
Legal and professional fees[1]	—	—	—	3,154	—	3,154
Adjusted operating income (loss)	$ (821)	$ 2,292	$ (44,628)	$ (4,283)	$ 34,852	$ (12,588)

[1] Includes legal and professional fees related to lawsuits.

(in thousands)	Six Months Ended September 30, 2026					
	Ben Liquidity	**Ben Custody**	**Customer ExAlt Trusts**	**Corporate/Other**	**Consolidating Eliminations**	**Consolidated**
Total revenues	$ 16,879	$ 5,172	$ 5,045	$ (18,297)	$ (21,920)	$ (13,121)
Mark to market adjustment on interests in the GWG Wind Down Trust	—	—	(3,029)	—	—	(3,029)
Mark to market adjustment on derivative asset	—	—	—	17,675	—	17,675
Adjusted revenues	$ 16,879	$ 5,172	$ 2,016	$ (622)	$ (21,920)	$ 1,525
Operating income (loss)	$ (9,945)	$ 1,548	$ (82,224)	$ (32,730)	$ 83,626	$ (39,725)
Mark to market adjustment on interests in the GWG Wind Down Trust	—	—	(3,029)	—	—	(3,029)
Mark to market adjustment on derivative asset	—	—	—	17,675	—	17,675
Goodwill impairment	—	1,479	—	—	—	1,479
Accrual of loss contingency related to arbitration award, including post-judgment interest	—	—	—	3,608	—	3,608
Share-based compensation expense	—	—	—	348	—	348
Legal and professional fees[1]	—	—	—	1,857	—	1,857
Adjusted operating income (loss)	$ (9,945)	$ 3,027	$ (85,253)	$ (9,242)	$ 83,626	$ (17,787)

[1] Includes legal and professional fees related to lawsuits.

(in thousands)	Six Months Ended September 30, 2025					
	Ben Liquidity	**Ben Custody**	**Customer ExAlt Trusts**	**Corporate/Other**	**Consolidating Eliminations**	**Consolidated**
Total revenues	$ 17,332	$ 7,264	$ (15,634)	$ (118)	$ (24,230)	$ (15,386)
Mark to market adjustment on interests in the GWG Wind Down Trust	—	—	5	—	—	5
Mark to market adjustment on derivative asset	—	—	—	—	—	—
Adjusted revenues	$ 17,332	$ 7,264	$ (15,629)	$ (118)	$ (24,230)	$ (15,381)
Operating income (loss)	$ (6,838)	$ 5,420	$ (98,608)	$ (83,102)	$ 72,616	$ (110,512)
Mark to market adjustment on interests in the GWG Wind Down Trust	—	—	5	—	—	5
Accrual of loss contingency related to arbitration award, including post-judgment interest	—	—	—	64,487	—	64,487
Share-based compensation expense	—	—	—	923	—	923
Legal and professional fees[(1)]	—	—	—	7,329	—	7,329
Adjusted operating income (loss)	$ (6,838)	$ 5,420	$ (98,603)	$ (10,363)	$ 72,616	$ (37,768)

[(1)] Includes legal and professional fees related to lawsuits.

Financial Condition

Ben Liquidity's Loan Portfolio and Customer ExAlt Trusts' Investment in Alternative Assets

Our primary operations currently consist of offering our liquidity and trust administration services to our customers, primarily through certain of our operating subsidiaries, Ben Liquidity and Ben Custody, respectively. Ben Liquidity offers simple, rapid and cost-effective liquidity products to its customers using a proprietary financing and trusts structure, the Customer ExAlt Trusts, which facilitate the exchange of a customer's alternative assets for consideration using a unique financing structure, the ExAlt Plan™. In ExAlt Plan™ financings, a subsidiary of Ben Liquidity, BFF, makes ExAlt Loans to certain of the Customer ExAlt Trusts, which in turn employ a portion of the loan proceeds to acquire and deliver agreed upon consideration to the customer, in exchange for their alternative assets. Ben Liquidity generates interest and fee income earned in connection with such ExAlt Loans to certain of the Customer ExAlt Trusts, which are collateralized by the cash flows from the exchanged alternative assets, or the "Collateral." The Collateral held by the Customer ExAlt Trusts supports the repayment of the loans plus any related interest and fees. In the event that an ExAlt Loan's principal balance is reduced to zero dollars ($0), any remaining Collateral supporting such ExAlt Loan effectively cross-collateralizes other ExAlt Loans, as any such excess cash flows must be applied to pay off the outstanding balances of other ExAlt Loans pursuant to the terms of the trust agreements governing certain of the ExAlt Trusts. Ben Custody provides full-service trust and custody administration services to the trustees of certain of the Customer ExAlt Trusts, including BFF, which own the exchanged alternative asset following a liquidity transaction for fees payable quarterly.

As of September 30, 2026, Ben Liquidity's loan portfolio consisted of ExAlt Loans to the Customer ExAlt Trusts with an aggregate principal amount outstanding of $608.6 million, including accrued interest that has been capitalized on the ExAlt Loans. Ben Liquidity's ExAlt Loans are structured as loans with a maturity date of 12 years that bear contractual interest at a variable rate or fixed rate that compounds monthly. The ExAlt Loans made prior to December 31, 2020 have a variable interest rate established off of a base rate of 14%, and ExAlt Loans made on or after December 31, 2020 have a variable interest rate established off a base rate of 10% or a fixed rate of 5%-10%. Ben Liquidity may make ExAlt Loans in the future with a variable interest rate established off of different base rates. Since the Customer ExAlt Trusts are consolidated, the ExAlt Loans and related interest and fee income earned by Ben Liquidity and Ben Custody from the Customer ExAlt Trusts are eliminated in the presentation of our consolidated financial statements; however, such amounts directly impact the income (loss) allocable to Ben's or BCH's equity holders.

The Customer ExAlt Trusts' investments are the source of the Collateral supporting the ExAlt Loans plus any related interest and fees. These investments, either through direct ownership or through beneficial interests, consist primarily of limited partnership interests in various alternative assets, including private equity funds. These alternative investments are recorded generally at fair value using NAV as a practical expedient. When the sale of an investment in an alternative asset is deemed probable at an amount that differs from NAV, the investment in the alternative asset is recorded at its estimated fair value under FASB ASC 820, *Fair Value Measurement.* Changes in the fair value (i.e., NAV) of these alternative investments are recorded in investment income (loss), net in our consolidated statements of operations. The Customer ExAlt Trusts' investments in alternative assets and investments in equity and debt securities provide the economic value creating the Collateral to the ExAlt Loans made in connection with each liquidity transaction.

The underlying interests in alternative assets are primarily limited partnership interests. The transfer of the investments in private equity funds generally requires the consent of the corresponding private equity fund manager, and the transfer of certain fund investments is subject to rights of first refusal or other preemptive rights, potentially further limiting the ExAlt Plan™ from transferring an investment in a private equity fund. Distributions from funds are received as the underlying investments are liquidated. Timing of liquidation is currently unknown.

The Customer ExAlt Trusts held interests in alternative assets with a NAV of $167.6 million and $162.8 million as of September 30, 2026 and March 31, 2026, respectively. As of September 30, 2026, the Customer ExAlt Trusts' portfolio had exposure to 110 professionally managed alternative investment funds, comprised of 274 underlying investments, 91 percent of which are investments in private companies. Additionally, the Customer ExAlt Trusts directly hold investments in debt and equity securities. The aggregate value of these investments was $33.5 million and $32.7 million as of September 30, 2026 and March 31, 2026, respectively. As part of the Asset Sales Initiative described under "Recent Developments - Asset Sales Initiative", entities held by a Customer ExAlt Trust and managed by an indirect subsidiary of the Company have agreed to the completion of the sale of beneficial interests with respect to certain limited partner interests held for the benefit of such Customer ExAlt Trust, which will result in aggregate gross proceeds of $0.1 million for the sale of these beneficial interests once all transactions are closed. Furthermore, following the completion of these sales of beneficial interests with respect to certain limited partner interests held for the benefit of such Customer ExAlt Trusts after September 30, 2026, on a pro forma basis considering the sales of beneficial interests, the aggregate value of all of the investments held by the Customer ExAlt Trusts is $200.9 million, through the date of this Quarterly Report on Form 10-Q.

The following sections provide more detailed information for Ben Liquidity's loan portfolio and related allowance for credit

losses and the Customer ExAlt Trusts' investments in alternative assets and other equity and debt securities.

Ben Liquidity

Loans Receivable

The following table provides the carrying value of the loan portfolio by collateral type and classification (in thousands):

	September 30, 2026	March 31, 2026
Loans collateralized by interests in alternative assets	$ 425,357	$ 444,891
Loans collateralized by debt and equity securities	183,200	139,160
Total loans receivable	608,557	584,051
Allowance for credit losses	(436,226)	(414,367)
Total loans receivable, net	$ 172,331	$ 169,684

The following table provides certain information concerning our loan portfolio by collateral type and maturity as of September 30, 2026 (in thousands):

	Original Principal	Interest Accrued	Aggregate Payments	Outstanding Balance[(1)]	Allowance	Carrying Value
Loans collateralized by interests in alternative assets						
Within 5 Years	$ 357,533	$ 271,284	$ (290,375)	$ 173,674	$ 90,801	$ 82,873
After 5 Years Within 10 Years	235,908	117,618	(135,515)	217,947	182,959	34,988
After 10 Years	31,019	2,717	—	33,736	513	33,223
Loans collateralized by debt and equity securities						
Within 5 Years	221,265	142,766	(81,477)	150,794	148,534	2,260
After 5 Years Within 10 Years	21,950	13,052	(2,597)	32,406	13,419	18,987
After 10 Years	—	—	—	—	—	—
Total	$ 867,675	$ 547,437	$ (509,964)	$ 608,557	$ 436,226	$ 172,331

(1) This balance includes $296.6 million in unamortized discounts as of September 30, 2026.

Loan to Value Ratio

The loan to value ratio is calculated as the carrying value of loans receivable after any allowance for credit losses over the Collateral Value of the loan portfolio. The value of the Collateral (the "Collateral Value") is defined as the mutual beneficial interest of the respective Customer ExAlt Trust, which we refer to as the "Collective Trust" that is owned by the Customer ExAlt Trust, which we refer to as the "Funding Trust," that borrows from Ben Liquidity's subsidiary, BFF. The Collateral Value is derived from the expected cash flows from the various alternative assets held by other trusts included within the Customer ExAlt Trust structure. The Collateral is valued using industry standard valuation models, which includes assumptions related to (i) equity market risk premiums, (ii) alternative asset beta to public equities, (iii) NAVs, (iv) volatilities, (v) distribution rates, and (vi) market discount rates. The fair value of the mutual beneficial interests collateralizing the loan portfolio as of September 30, 2026 and March 31, 2026, was $196.6 million and $187.2 million, respectively.

The loan to value ratio for the entire loan portfolio was 0.88 and 0.91 as of September 30, 2026 and March 31, 2026, respectively.

Allowance for Credit Losses

The ExAlt Loans' allowance for credit losses is an input to the allocation of income (loss) to Ben's or BCH's equity holders.

On April 1, 2023, we adopted Accounting Standards Update ("ASU") 2016-13, *Financial Instruments, Credit Losses* (Topic 326) ("CECL"), which requires an estimate of the credit losses expected over the life of a loan (or pool of loans). It replaced the incurred loss approach's threshold that required the recognition of a credit loss when it was probable that a loss event was incurred. The allowance for credit losses is a valuation account that is deducted from, or added to, the loans' amortized cost basis to present the net, lifetime amount expected to be collected on the loans.

Management estimates the allowance using relevant available information from internal and external sources related to past events, current conditions, and reasonable and supportable economic forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Ben currently does not have adequate historical loss data to provide a basis for the long-term loss information associated with its loans. As such, Ben uses alternative, long-term historical average credit loss data from Preqin, Ltd. in establishing the loss history as a proxy.

Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in credit concentrations, collateral values and underwriting standards as well as changes in economic conditions or other relevant factors. Management judgment is required at each point in the measurement process.

Ben uses the discounted cash flow ("DCF") method to estimate expected credit losses for the loan portfolio. Ben generates cash flow projections at the loan level wherein payment expectations are adjusted for changes in market risk premiums, risk free rate, NAV growth rate, and discount rate. The inputs are based on historical data from Preqin, Ltd. and adjusted, if necessary, based on the reasonable and supportable forecast of economic conditions. To adjust, management utilizes externally developed forward-looking macroeconomic factors as indicators of future expected cash flows: S&P 500 Index data and US 3-Month Treasury. The economic forecasts are applied over the cashflow projection period.

The combination of adjustments for credit expectations (default and loss) and timing expectations (prepayment, curtailment, and time to recovery) produces an expected cash flow stream at the instrument level. Instrument effective yield is calculated, net of the impacts of prepayment assumptions, and the instrument expected cash flows are then discounted at that effective yield to produce an instrument-level net present value of expected cash flows ("NPV"). An allowance for credit loss is established for the difference between the instrument's NPV and amortized cost basis.

The DCF model also considers the need to qualitatively adjust expected loss estimates for information not already captured in the quantitative loss estimation process. Qualitative considerations include limitations inherent in the quantitative model; trends experienced in nonperforming loans; changes in value of underlying collateral; changes in underwriting policies and procedures; nature and composition of loans; portfolio concentrations that may affect loss experience across one or more components or the portfolio; and the effect of external factors such as competition, legal and regulatory requirements. These qualitative factor adjustments may increase or decrease Ben's estimate of expected credit losses so that the allowance for credit loss is reflective of the estimate of lifetime losses that exist in the loan portfolio at the balance sheet date.

The following table provides the allowance for credit losses recognized by Ben Liquidity and Ben Custody by collateral type and by classification (in thousands):

	September 30, 2026	March 31, 2026
Loans collateralized by interests in alternative assets	$ 274,273	$ 299,411
Loans collateralized by interest in debt and equity securities	161,953	114,956
Total allowance for credit losses	$ 436,226	$ 414,367

The following table provides a rollforward of the allowance for credit losses recognized by Ben Liquidity and Ben Custody by collateral type (in thousands):

	Three Months Ended September 30, 2026		Three Months Ended September 30, 2025	
(unaudited)	Alternative Assets	Debt & Equity Securities	Alternative Assets	Debt & Equity Securities
Beginning balance	$ 268,098	$ 142,889	$ 199,253	$ 153,477
Provision for (reversal of) credit losses	6,175	19,064	4,736	760
Ending balance	$ 274,273	$ 161,953	$ 203,989	$ 154,237

	Six Months Ended September 30, 2026		Six Months Ended September 30, 2025	
(unaudited)	Alternative Assets	Debt & Equity Securities	Alternative Assets	Debt & Equity Securities
Beginning balance	$ 299,411	$ 114,956	$ 190,072	$ 152,388
Provision for (reversal of) credit losses	(25,138)	46,997	13,917	1,849
Ending balance	$ 274,273	$ 161,953	$ 203,989	$ 154,237

Credit Quality

The following table presents certain credit quality metrics (dollar amounts in thousands):

	September 30, 2026	March 31, 2026
Loans collateralized by alternative assets		
Period-end loans	$ 425,357	$ 444,891
Nonperforming loans	$ 162,105	$ 190,559
Allowance for credit losses	$ 274,273	$ 299,411
Allowance/loans	64.48 %	67.30 %
Nonperforming loans/loans	38.11 %	42.83 %
Allowance to nonperforming loans	1.69x	1.57x
Loans collateralized by debt and equity securities		
Period-end loans	$ 183,200	$ 139,160
Nonperforming loans[(1)]	$ 151,405	$ 122,812
Allowance for credit losses	$ 161,953	$ 114,956
Allowance/loans	88.40 %	82.61 %
Nonperforming loans/loans	82.64 %	88.25 %
Allowance to nonperforming loans[(1)]	1.07x	0.94x
Consolidated		
Period-end loans	$ 608,557	$ 584,051
Nonperforming loans[(1)]	$ 313,510	$ 313,371
Allowance for credit losses	$ 436,226	$ 414,367
Allowance/loans	71.68 %	70.95 %
Nonperforming loans/loans	51.52 %	53.65 %
Allowance to nonperforming loans[(1)]	1.39x	1.32x

[(1)] The nonperforming loans collateralized by interests in GWG or the GWG Wind Down Trust was $145.9 million as of September 30, 2026 and March 31, 2026.

Customer ExAlt Trusts — Alternative Asset Portfolio

The portfolio of alternative assets held by the Customer ExAlt Trusts covers the following industry sectors and geographic regions for the periods shown below (dollar amounts in thousands):

	September 30, 2026		March 31, 2026	
Industry Sector	**Value**	**Percent of Total**	**Value**	**Percent of Total**
Food and Staples Retailing	$ 72,640	43.3 %	$ 65,539	40.3 %
Utilities	16,609	9.9	16,959	10.4
Semiconductors and Semiconductor Equipment	14,893	8.9	13,348	8.2
Software and Services	9,365	5.6	11,412	7.0
Diversified Financials	6,704	4.0	9,087	5.6
Other[(1)]	47,377	28.3	46,479	28.5
Total	$ 167,588	100.0 %	$ 162,824	100.0 %

(1) Industries in this category each comprise less than 5 percent. Diversified financials is shown separately as it comprised greater than 5 percent in the prior period.

Geography	September 30, 2026		March 31, 2026	
	Value	Percent of Total	Value	Percent of Total
South America	$ 72,479	43.3 %	$ 66,032	40.6 %
North America	65,098	38.8	61,626	37.8
Asia	23,411	14.0	28,512	17.5
Europe	6,586	3.9	6,581	4.0
Africa	14	—	73	0.1
Total	$ 167,588	100.0 %	$ 162,824	100.0 %

Assets in the portfolio consist primarily of interests in alternative investment vehicles (also referred to as “funds”) that are managed by a group of U.S. and non-U.S. based alternative asset management firms that invest in a variety of financial markets and utilize a variety of investment strategies. The vintages of the funds in the portfolio as of September 30, 2026 ranged from 1993 to 2025.

As Ben Liquidity originates additional ExAlt Loans, it monitors the diversity of the portfolio of alternative assets held by the Customer ExAlt Trusts through the use of concentration guidelines. These guidelines were established, and are periodically updated, through a data driven approach based on asset type, fund manager, vintage of fund, industry segment and geography to manage portfolio risk. Ben Liquidity refers to these guidelines when making decisions about new financing opportunities; however, these guidelines do not restrict Ben Liquidity from entering into financing opportunities that would result in Ben Liquidity having exposure outside of its concentration guidelines. In addition, changes to the portfolio of alternative assets held by the Customer ExAlt Trusts may lag changes to the concentration guidelines. As such, the portfolio of alternative assets held by the Customer ExAlt Trusts may, at any given time, have exposures that are outside of Ben Liquidity’s concentration guidelines to reflect, among other things, attractive financing opportunities, limited availability of assets, or other business reasons. Given our operating history of relatively few transactions at significant NAV, the portfolio as of September 30, 2026 had exposure to certain alternative investment vehicles and investments in private companies that were outside of those guidelines.

Classifications by industry sector, exposure type and geography reflect classification of investments held in funds or companies held directly in the portfolio. Investments reflect the assets listed by the general partner of a fund as held by the fund and have a positive or negative NAV. Typical assets include portfolio companies, limited partnership interests in other funds, and net other assets, which are a fund’s cash and other current assets minus liabilities. The underlying interests in alternative assets are primarily limited partnership interests, and the limited partnership agreements governing those interests generally include restrictions on disclosure of fund-level information, including fund names and company names in the funds.

Industry sector is based on Global Industry Classification Standard (GICS®) Level 2 classification (also known as “Industry Group”) of companies held in the portfolio by funds or directly, subject to certain adjustments by us. “Other” classification is not a GICS® classification. “Other” classification reflects companies in the GICS® classification categories of Automobiles & Components, Capital Goods, Commercial & Professional Services, Consumer Durables & Apparel, Consumer Services, Energy, Food, Beverage & Tobacco, Health Care Equipment & Services, Materials, Media & Entertainment, Pharmaceuticals, Biotechnology & Life Sciences, Real Estate, Retailing, Technology Hardware & Equipment, Telecommunication Services, and Transportation. “N/A” includes investments assets that we have determined do not have an applicable GICS® Level 2 classification, such as Net Other Assets and investments that are not operating companies.

Geography reflects classifications determined by us based on each underlying investment.

Changes in industry sector and geography as of September 30, 2026 as compared to March 31, 2026 are principally related to the new transaction completed during the quarter, the disposition of certain investments held by the Customer ExAlt Trusts as part of the Asset Sales Initiative described under “Recent Developments - Asset Sales Initiative”, and updated NAV reported to by investment manager or sponsor.

Cash Flow

The following table presents a summary of cash flows from operating, investing and financing activities for periods presented below (in thousands):

	Six Months Ended September 30,	
	2026	2025
Net cash used in operating activities	$ (14,156)	$ (25,364)
Net cash provided by investing activities	15,071	42,825
Net cash provided by (used in) financing activities	4,018	(13,905)
Net increase (decrease) in cash and cash equivalents	$ 4,933	$ 3,556

Six Months Ended September 30, 2026 and 2025

Net cash used in operating activities was $14.2 million for the six months ended September 30, 2026, largely driven by working capital requirements, including employee compensation and benefits and professional services, net, offset partially by $1.2 million of proceeds originating from certain asset sales activity during the period classified as return on investment in alternative assets. Net cash provided by investing activities was $15.1 million for the six months ended September 30, 2026, primarily driven by $7.9 million from proceeds from the disposition of certain investments in alternative assets classified as return of investment and $7.3 million of other distributions classified as return of investments in alternative assets. Net cash provided by financing activities was $4.0 million for the six months ended September 30, 2026 resulting from proceeds of $3.8 million received from issuance of promissory notes and approximately $0.2 million from the issuance of Class A common shares under the standby equity purchase agreement.

Net cash used in operating activities was $25.4 million for the six months ended September 30, 2025, largely driven by working capital requirements, including employee compensation and benefits and professional services, net. Net cash provided by investing activities was $42.8 million for the six months ended September 30, 2025, primarily driven by $7.8 million of distributions as return of investments in alternative assets and $37.2 million from the disposition of certain investments in alternative assets, partially offset by $2.0 million in purchases of investments in alternative assets. Net cash used in financing activities was $13.9 million for the six months ended September 30, 2025 resulting from $15.0 million in principal payments on debt obligations, proceeds received from issuance of Class A common shares under the standby equity purchase agreement of approximately $0.3 million, and a total of $0.9 million in proceeds from debt issuances.

Liquidity and Capital Resources

As of September 30, 2026 and March 31, 2026, we had $7.5 million and $2.5 million, respectively, in combined available unrestricted cash and cash equivalents. We have purported events of default on certain of our related party debt obligations that could make these debts potentially callable by the lender (as further described below). Our obligations including principal and accrued interest under these related party debt instruments as of September 30, 2026 was approximately $130 million, when considering the cross default provisions under the terms of each respective debt agreement. Additionally, on October 10, 2025, the Texas Fifth Court of Appeals reversed the judgment of the Texas District Court and confirmed the previous $55.3 million Arbitration Award. With post-judgment interest, the amount of the Arbitration Award is approximately $71.5 million as of September 30, 2026. Further, our business is capital intensive, and we have historically generated net losses and, in aggregate, these net losses have resulted in an accumulated deficit of $2.1 billion as of September 30, 2026.

We currently finance our business through a combination of cash distributions from the Customer ExAlt Trusts' alternative asset portfolio, including proceeds received from the sale of certain alternative assets, receipt of fees for performing trust services, dividends and interest on investments, debt offerings, and equity offerings, including under the A&R SEPA, and sales of loans extended to the Customer ExAlt Trusts. We have traditionally used proceeds from these sources for cash obligations arising from our initial capitalization and formative transactions, funding liquidity transactions and potential unfunded capital commitments, working capital, debt service payments, and costs associated with potential future products. Starting in June 2025, we have completed various transactions involving the sale or equity redemptions of certain beneficial interests in alternative assets, which has resulted in the receipt of gross proceeds of approximately $60.5 million through September 30, 2026, and we may consider the monetization of additional alternative assets as a source of funding, including an additional $0.1 million in expected gross proceeds for two additional funds under contractual agreement to sell, which will be realized upon successful completion of legal ownership transfer by the general partner of each of the funds. BFF is also required to maintain sufficient regulatory capital due to its Kansas charter, though such amount is not significant.

The ability of Ben, BCH, and our operating subsidiaries to access the cash distributions from the Customer ExAlt Trusts' alternative asset portfolio is limited by the terms of the ExAlt Loans from Ben Liquidity to the Customer ExAlt Trusts. Our ability to access cash distributions received by certain of the Customer ExAlt Trusts is also currently limited by the order agreed to in the Delaware Court of Chancery that remains in place. Historically, Ben Liquidity has elected to capitalize interest that accrues on the ExAlt Loans and only receives payments on the ExAlt Loans, at the discretion of the applicable trustee, following the Customer ExAlt Trusts' receipt of cash distributions on their alternative asset portfolio. The trustee of the Customer ExAlt Trusts intends to make principal payments on the ExAlt Loans out of the proceeds of the distributions or sale proceeds received from the alternative assets. To the extent the Customer ExAlt Trusts do not receive distributions, such as if the managers of the professionally managed funds comprising the alternative assets determine to delay distributions or transactions that would result in the distributions to its limited partners, the Customer ExAlt Trusts' ability to repay the ExAlt Loans, and therefore, Ben Liquidity's ability to receive principal and interest payments in cash may be adversely impacted. Additionally, efforts to pursue additional sales of the beneficial interests in the alternative assets may not come to fruition. During the six months ended September 30, 2026, largely as a result of macro-economic conditions, the Customer ExAlt Trusts continued to receive fewer distributions from their alternative assets, excluding the proceeds received from the sales described herein, than was originally anticipated, which adversely impacted the Customer ExAlt Trusts' ability to repay the ExAlt Loans and our liquidity. Such conditions are expected to continue throughout the remainder of the current calendar year. As described above and as previously disclosed, in an effort to address cash flow restraints the Company has been experiencing primarily relating to delays in distributions and other realization events on the interests in alternative assets held the Customer ExAlt Trusts, the Company has commenced an initiative (the "Asset Sales Initiative") to sell or otherwise monetize a portion of the assets reported on the Company's consolidated balance sheet, including assets and additional investments held by the Customer ExAlt Trusts if, as and when prudent. Through September 30, 2026, this has resulted in sales or equity redemptions of approximately $9.1 million of limited partner interests by entities held by the Customer ExAlt Trusts during the current fiscal year. While the Company intends to consider additional sales, including the two additional funds under contract to be sold as described above, there can be no assurances that such additional sales will be available on favorable terms or at all.

We expect that the Company will require additional capital to satisfy our obligations and fund our operations for the next twelve months, which will likely be achieved through the issuance of additional debt or equity, including through the A&R SEPA, and the monetization of certain of the investments held by the Customer ExAlt Trusts. We continue to evaluate our available options with respect to the Arbitration Award, which may include working with the Claimant on settlement terms that could reduce the potential near term cash obligations associated with the arbitration. There can be no assurance that we will be able to reach a settlement on terms that are favorable to us or at all. We continue to explore raising additional capital through a combination of debt financing and/or equity financing to supplement the Company's capitalization and liquidity. If and as we raise additional funds by incurring loans or by issuing debt securities or preferred stock, these forms of financing have rights, preferences, and privileges senior to those of holders of our common stock. The availability and the terms under which we are able to raise additional capital could be disadvantageous, and the terms of debt financing and/or equity financing could place significant restrictions on our operations. Macroeconomic conditions and credit markets are also impacting the availability and cost of potential future debt financing. As we raise capital through the issuance of additional equity, such sales and issuance have and will continue to dilute the ownership interests of the existing holders of common stock. There can be no assurances that any additional debt and/or equity financing would be available to us on favorable terms or at all. We expect to continue to incur net losses, comprehensive losses and negative cash flows from operating activities until we meet a certain scale of operations.

As of the date of this Quarterly Report on Form 10-Q, we believe that our anticipated operating cash flows, proceeds on ExAlt Loan payments and fee income derived from distributions on investments held by the Customer ExAlt Trusts or other investments held by Ben, and additional sources of liquidity, are not sufficient to meet our contractual obligations over the next 12 months. Additionally, unless the Arbitration Award is overturned or the Arbitration Award is significantly reduced, the losses incurred in connection with the Arbitration Award would have a material adverse effect on our liquidity and financial condition.

Our contractual obligations over the next 12 months include outstanding borrowings of approximately $96.7 million with substantially all of this amount related to the HCLP Loan further discussed below. As previously disclosed, on April 14, 2025, the HCLP Loan purportedly matured, and on July 30, 2025, we received written notice from HCLP that events of default had occurred with respect to our borrowings under the HCLP Loan Agreement (approximately $94.3 million (including an unamortized premium thereon) of debt outstanding and unpaid interest of $35.0 million as of September 30, 2026). The debt and accrued interest matured and became due and payable upon such maturity. Due to Mr. Heppner's conviction and the facts established in the related proceedings, the Company is evaluating the validity of its obligations under the HCLP Loan Agreement and the liens securing the HCLP Loan and is considering all options that it may pursue related to this conduct, including litigation against Mr. Heppner, HCLP and any direct or indirect control parties of HCLP.

While we may refinance some or all of the existing borrowings due prior to their maturity, with either our current lenders or other lenders, continue to seek opportunities to reduce corporate overhead, intend to raise capital through equity or debt investments in us by third parties, including through the A&R SEPA, and the additional monetization of certain of the investments held by the Customer ExAlt Trusts, we cannot conclude these are probable of being implemented or, if probable of being implemented, being in sufficient enough amounts to satisfy our contractual amounts as they presently exist that are coming due over the next 12 months as of the date of filing this Quarterly Report on Form 10-Q.

As further discussed in other sections of this Quarterly Report on Form 10-Q, we previously entered into the 2023 SEPA. On June 26, 2026, we entered into the A&R SEPA to (i) reduce the commitment size of the 2023 SEPA to $100 million and extend its maturity on the terms and conditions set forth therein and (ii) provide Yorkville advance to the Company promissory notes in the principal amount of $4.0 million. During the term of the 2023 SEPA, the Company had offered and sold approximately 773 thousand shares of Class A common stock to Yorkville pursuant to the 2023 SEPA for net proceeds of approximately $9.9 million. For the six months ended September 30, 2026 and 2025, proceeds of approximately $0.2 million and $0.3 million were received by the Company from 2023 SEPA sales. No sales have been completed under the A&R SEPA. During the six months ended September 30, 2026, the Company completed, as contemplated by the A&R SEPA, the issuance of two promissory notes to Yorkville totaling $4.0 million for proceeds of approximately $3.8 million, which was used for working capital purposes. The promissory notes mature on June 30, 2027 and are convertible into Class A common stock at the option of the holder. Through September 30, 2026, approximately $2.7 million of the promissory notes have been converted into our Class A common stock, with $1.3 million of principal remaining outstanding as of September 30, 2026. The issuance of additional shares of Class A common stock under the A&R SEPA and/or in connection with the conversion of the remaining promissory notes by the holder in the future will dilute the percentage ownership interest of all stockholders, could dilute the book value per share of the Class A common stock and will increase the number of the Company's outstanding shares, which could cause the market price of our Class A common stock to decrease. Additionally, the decision regarding future sale of shares, including those under the A&R SEPA, is subject to market conditions, such as trading volume, price of our Class A common stock and other factors beyond our control.

As further discussed in other sections of this Quarterly Report on Form 10-Q, on October 19, 2023, we entered into a three-year $25.0 million term loan with HH-BDH. The original $25.0 million of principal plus an additional principal of approximately $2.6 million subsequently borrowed was repaid in January 2026. On March 10, 2026, the Company entered into that certain Letter Agreement (the "2026 Letter Agreement") with HH-BDH, pursuant to which the HH-BDH Credit Agreement was amended to provide for the payment of the remaining $1.7 million in interest and fees outstanding under the HH-BDH Credit Agreement. For the payment of the outstanding interest and fees, (i) we issued HH-BDH 149,904 shares of the Company's Class A common stock having an aggregate value of $572,588 based on the five-day volume-weighted average price per share of the Class A common stock on March 10, 2026, and (ii) we agreed to pay HH-BDH an amount in cash equal to $1,000,000 not later than five business days following September 30, 2026. Additionally, for the payment of outstanding expenses, we paid HH-BDH an amount in cash equal to $94,365 in April 2026. Effective October 7, 2026, we entered into an amendment to the 2026 Letter Agreement to extend the deadline for the $1.0 million cash payment to HH-BDH until March 31, 2027.

The HH-BDH Credit Agreement contains certain financial maintenance covenants. The Company has at times in late fiscal year 2025 and in subsequent periods been in default on certain of the required payment obligations, financial covenants, and information reporting requirements of the HH-BDH Credit Agreement. The Company is actively working with the lender on waivers related to these defaults along with the amendment to the HH-BDH Credit Agreement. The Company timely notified HH-BDH of the cross default. HH-BDH has not notified the Company that it intends to declare an event of default as it relates to the cross default provision of the HH-BDH Credit Agreement or with respect to other defaults related to required payment obligations, financial covenants, and information reporting requirements.

If any of these limitations of the HH-BDH Credit Agreement or the HCLP Loan Agreement, for which there are currently existing events of defaults on these related party debt obligations, were to materially impede the flow of cash to us, our ability to service and repay our related party debt would be materially and adversely affected. To the extent the Company continues to receive cash distributions that are less than previously projected amounts from its alternative assets, the Company will require additional capital to fund and grow its operations.

We may not be able to refinance our indebtedness or obtain additional financing on terms favorable to the Company, or at all. To the extent that Ben or its subsidiaries raise additional capital through the future sale of equity or debt, the ownership interest of our existing equity holders may be diluted. The terms of these future equity or debt securities may include liquidation or other preferences that adversely affect the rights of our existing equity unitholders or involve negative covenants that restrict Ben's ability to take specific actions, such as incurring additional debt or making additional investments in growing the operations of the Company. If Ben defaults on these borrowings, then the Company will be required to either (i) sell participation or other interests in our loans or other of our assets or (ii) to raise additional capital through the sale of equity and the ownership interest of our equity holders may be diluted. Further, given the number of

shares of Class A common stock eligible for resale as a result of various registration statements we have filed with the SEC, our stock price may be further depressed as a result of significant sales of our securities, which could adversely affect our ability to raise equity capital on favorable terms or at all. In addition, because the $7,360.00 exercise price per share of the outstanding Warrants substantially exceeds the current trading price per share of our Class A common stock ($1.36 per share as of September 30, 2026), there is no assurance that the Warrants will be in the money prior to their expiration and it is unlikely that the Warrant holders will be able to exercise such Warrants in the near future, if at all. Accordingly, we are unlikely to receive any proceeds from the exercise of the Warrants in the near future, if at all, and the Warrants may not provide any additional capital. Similarly, the Yorkville Warrants have an exercise price ($21.04 per share) that significantly exceeds the current trading price per share of our Class A common stock. In considering our capital requirements and sources of liquidity, we have not assumed or relied on the receipt of proceeds from the exercise of Warrants or Yorkville Warrants. As a result of the foregoing, we may require additional capital resources to execute strategic initiatives to grow our business. Further, as the settlement provision related to the derivative asset recorded in our September 30, 2026 statement of financial position involves the forfeiture of existing outstanding Class A common stock and not cash proceeds, the value of the derivative asset does not impact our considerations related to our capital requirements and sources of liquidity.

We will utilize our cash flows toward our contractual obligations, to invest in our business, including new product initiatives and growth strategies, including any potential acquisitions, and, if determined by our Board, pay dividends to our equity holders, including guaranteed payments on certain of BCH's preferred equity securities, and fund tax distributions for certain noncontrolling interest holders. Our ability to fund these capital needs will depend on our ongoing ability to generate cash from operations and via the capital markets. We are continuing to evaluate the impact of the ongoing Russia-Ukraine conflict, the Israel-Hamas conflict and other items, such as inflation, rising interest rates and changes in regulatory requirements and tariffs, and assess the impact on financial markets and our business. The Company's future results may be adversely affected by slowdowns in fundraising activity and the pace of new liquidity transactions with our customers due to such events.

While we have concluded that there is substantial doubt about our ability to continue as a going concern, our financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The accompanying consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty related to the Company's ability to continue as a going concern.

Capital expenditures have historically not been material and we do not anticipate making material capital expenditures through the remainder of fiscal year 2027.

Liquidity Transactions

On July 10, 2026, the Company funded the closing of a primary capital transaction pursuant to definitive agreements entered into on July 8, 2026 with respect to a limited partner interest in an investment fund with a NAV of $7.44 million. Pursuant to the transaction, the Customer ExAlt Trusts acquired a limited partner interest, and in exchange for such interest, the customer received 744,455 shares of the Company's Series B-11 preferred stock, with such Series B-11 preferred stock being convertible into shares of the Company's Class A common stock. The Series B-11 preferred stock is convertible at the election of the holder into Class A common stock initially at a conversion price of $3.6514 per share and is subject to reset from time to time, subject to a floor price of $1.8257 per share. A maximum of 4,077,642 shares of Class A common stock may be issued upon conversion of the Series B-11 preferred stock.

Amended Credit Agreements

On August 13, 2020, Ben, through its subsidiary Beneficient Capital Company II, L.L.C. (formerly known as Beneficient Capital Company, L.L.C. ("BCC"), executed the Second Amended and Restated First Lien Credit Agreement ("First Lien Credit Agreement") and the Second Amended and Restated Second Lien Credit Agreement ("Second Lien Credit Agreement") collectively, (the "Second A&R Agreements" or the "HCLP Loan Agreement") with its lender, HCLP Nominees, L.L.C. ("HCLP"), to amend its First Lien Credit Agreement and Second Lien Credit Agreement dated September 1, 2017 and December 28, 2018, respectively. The Second A&R Agreements have been further amended from time to time to extend the maturity date and defer principal and interest payments, among other things, as more fully described in our Annual Report on Form 10-K for the year ended March 31, 2026. In connection with certain of the amendments to the Second A&R Agreements, Ben agreed to pay extension fees on a percentage of the amount outstanding under the credit agreements as of the date of the respective amendment.

The latest amendments occurred on July 12, 2023, when BCH, entered into (a) that certain Amendment No. 7 to the First Lien Amendment, which amended the First Lien Credit Agreement, and (b) that certain Amendment No. 7 to Second Lien Amendment (together with the First Lien Amendment, the "Seventh Amendments"), which amended the Second Lien Credit Agreement, each among BCH, HCLP and the other parties thereto. Among other things, the Seventh Amendments (i)

modified the interest rate to a fixed rate of 9.5% (ii) extended the maturity dates of the First Lien Amendment and the Second Lien Amendment to September 15, 2024 and September 15, 2027, respectively, and (iii) agreed to installment payments on the First Lien Amendment of $5.0 million on each of March 29th, June 28th, September 29th, and December 29th of each year for so long as the obligations remain outstanding, and so long as such payments do not cause a going concern. No payments will be made on the Second Lien Amendment until the obligations on the First Lien Amendment have been fully satisfied. Effective on July 31, 2024, the maturity date of the First Lien Credit Agreement was extended from September 15, 2024 to February 1, 2025, and certain mandatory prepayment obligations thereunder were waived by HCLP until February 1, 2025. On January 31, 2025, these terms were further extended to February 8, 2025 and then on February 8, 2025 the terms were extended to February 15, 2025. Furthermore, effective as of March 1, 2025, the Company's obligations under the First Lien Credit Agreement were waived by HCLP through April 1, 2025, and the maturity date of the First Lien Credit Agreement was extended through April 1, 2025. These terms were then extended through April 7, 2025 and again through April 14, 2025.

On April 14, 2025, the HCLP Loan Agreement purportedly matured, on July 30, 2025, we received written notice (the "Notice") from HCLP that events of default occurred with respect to the HCLP Loan Agreement. The Notice provided that, among other things, (i) with respect to the First Lien Credit Agreement, a default occurred on April 14, 2025, and has been continuing at all times since that date through July 29, 2025, as a result of BCH's failure to pay all outstanding obligations (including all principal and accrued interest on the loan made pursuant to the First Lien Credit Agreement) on April 14, 2025, and that such default constitutes an Event of Default (as defined in the First Lien Credit Agreement) (such default, the "First Lien Event of Default") and (ii) with respect to the Second Lien Credit Agreement, a default also occurred on April 14, 2025, which has been continuing at all times since that date through July 29, 2025, as a result of the First Lien Event of Default, which also constitutes an Event of Default (as defined in the Second Lien Credit Agreement) pursuant to the Second Lien Credit Agreement (the "Second Lien Event of Default," and together with the First Lien Event of Default, the "Specified Events of Default").

The Notice also provided that, as a result of the Specified Events of Default, the outstanding principal amount of the loans under the HCLP Loan Agreement and all other amounts owing or payable under each credit agreement or under any other loan document was immediately due and payable (including, without limitation, all interest accrued through July 29, 2025, and all amounts owing under Section 9.04(b) of each credit agreement). Furthermore, the Notice also declared that Accrued Interest (as defined in each Credit Agreement), effective as of April 14, 2025, shall accrue on each calendar day on the outstanding amount of the loan under each Credit Agreement, after as well as before judgment, at a rate equal to 11.5% per annum and such accrued interest shall be payable on demand.

As a result of the Specified Events of Default, in accordance with Section 5(c)(i) of each certain security agreements executed in connection with the HCLP Loan Agreements the Notice provides that the pledgors pursuant to such security agreements are prohibited from selling, transferring, exchanging, disposing of, or granting any option with respect to the following collateral and any related proceeds as of July 29, 2025: (i) the equity interests in the underlying investment funds, in each case together with the certificates (or other agreements or instruments), if any, representing such equity interests, and all options and other rights, contractual or otherwise, with respect thereto; (ii) the loans and loan agreements made to the funding trusts; (iii) the acquisition documents; (iv) all other accounts, chattel paper, documents, general intangibles, instruments, investment property, money, deposit accounts, goods, commercial tort claims, letters of credit, letter of credit rights and supporting obligations; (v) all proceeds of the property described in the foregoing clauses (i), (ii), (iii) and (iv); and (vi) all books and records (including computer software and other records) pertaining to any of the foregoing.

Consistent with the assertions contained in the Notice, HCLP delivered certain letters to each of the Company entity guarantors and pledgors (including BCH, Ben Liquidity, and Beneficient USA, among others) requesting various remedies, including demands for payment of the outstanding obligations and the transfer of applicable HCLP loan collateral and any proceeds therefrom, pursuant to purported rights under the HCLP Loan Agreement. Additionally, HCLP delivered certain letters to Delaware Trust Company, as trustee of certain custody trusts (LT-1 – LT-28 Custody Trusts) that hold HCLP loan collateral, requesting various remedies including the transfer of their applicable HCLP loan collateral and any proceeds therefrom, pursuant to purported rights under the HCLP Loan Agreement. The Company has communicated with the non-Company recipients of the HCLP notices to relay the Company's position.

The Company has previously disclosed and continues to disclose HCLP as a related party in its public filings based on its relationship with Brad Heppner, the Company's former CEO and Chairman of the Board. As previously disclosed, on June 19, 2025, Mr. Heppner resigned following a request from the Company's counsel, acting at the direction of the Audit Committee of the Board, for Mr. Heppner to sit for a formal interview regarding, among other things, his knowledge of certain documents and information concerning Mr. Heppner's relationship to HCLP provided to the Company's auditors in 2019. The interview request was made after the Company identified credible evidence that Mr. Heppner participated in fabricating and delivering fake documents to the Company regarding his and others' relationships to HCLP, knowing that these documents would be provided to the Company's auditors. The Company continues to consider additional information it

has learned about other conduct by Mr. Heppner and other persons that purportedly controlled HCLP to determine the extent to which any of that conduct surrounding HCLP was fraudulent. On May 7, 2026, Mr. Heppner was convicted of securities fraud, wire fraud, conspiracy to commit securities fraud and wire fraud, and false statements to auditors.

On August 5, 2025, HCLP filed a summons with notice in the Supreme Court of the State of New York seeking a judgment against the Company for amounts owed under the HCLP Loan Agreement in addition to attorney's fees and litigation costs. The summons with notice did not include a complaint and has not been served on the Company. No action is required by the Company until it has been served. In light of these circumstances, the Company is evaluating the validity of its obligations under the HCLP Loan Agreement and the liens securing the HCLP Loans and is considering all options that it may pursue related to this conduct, including counter claims and litigation against Mr. Heppner, HCLP and any direct or indirect control parties of HCLP. The Company intends to vigorously pursue its claims regarding the validity of such purported indebtedness.

On October 10, 2025, HCLP brought an action in the Court of Chancery against Delaware Trust Company ("DTC") individually and as trustee for twenty-five Custody Trusts (the "Custody Trusts"). The Custody Trusts hold collateral against which certain of the Company's ExAlt Loans are made. HCLP purports to be lender to BCH and its affiliates and asserts, at the time of the action, that the Company owes HCLP approximately $122 million on two loans, which it claims are in default. HCLP further alleges that the Custody Trusts guaranteed the loans that are secured by certain pledge agreements. The action seeks to enforce the guarantees and the pledge agreements and prevent any future distributions to the Company. HCLP also filed a motion for a temporary restraining order that seeks to enjoin DTC, in the interim, from selling, transferring, or encumbering the assets held by the Custody Trusts. The parties entered into an agreed form of order which was approved by the Court. Under the order, DTC agreed to not transfer, sell, encumber or otherwise dispose of the collateral held by the Custody Trusts, which includes any distributions received from the collateral during the pendency of the order, and the parties to the action agreed to request a trial date in mid-2026. Since the order was entered through September 30, 2026, approximately $2.5 million of distributions have been received from the collateral and are currently held by DTC. On November 21, 2025, the parties stipulated to a form of order that was approved by the Court, which stayed all proceedings until the conclusion of Mr. Heppner's criminal trial, which began in April 2026. The Company was not named in either the action or the motion. On October 23, 2026, the Company and certain of its subsidiaries filed a motion to intervene in the action, which seeks to invalidate the HCLP credit agreements and related loan documents, cancel the purported obligations, recover the approximately $211 million the Company previously paid on the purported debt and establish that HCLP has no valid right to the related collateral. Due to Mr. Heppner's conviction and the facts established in the related proceedings, the Company is evaluating the validity of its obligations under the HCLP Loan Agreement and the liens securing the HCLP Loan and is considering all options that it may pursue related to this conduct, including litigation against Mr. Heppner, HCLP and any direct or indirect control parties of HCLP and their agents.

In connection with the Second A&R Agreements, Beneficient Holdings, Inc. ("BHI"), which is owned by The Highland Business Holdings Trust, of which Mr. Heppner, our former CEO, is the trustee, and Mr. Heppner and his family are the beneficiaries, owns a majority of the BCH Class S Ordinary Units, Class S Preferred Units of BCH ("BCH Class S Preferred Units"), BCH Preferred A-0, Preferred Series A Subclass 1 Unit Accounts of BCH ("BCH Preferred A-1"), and BCH FLP-1 Unit Accounts, and Subclass 3 FLP Unit Accounts of BCH, will grant certain tax-related concessions to HCLP as may be mutually agreed upon between the parties. In exchange for the tax-related concessions, 5% of BCH Preferred A-1 held by BHI, which will be held by HCLP, may convert to BCH Preferred A-0. In addition, recipients of a grant of BCH Preferred A-1 from BHI will have the right to put an amount of BCH Preferred A-1 to Ben equal to any associated tax liability stemming from any such grant; provided that the aggregated associated tax liability shall not relate to more than $30.0 million of grants of BCH Preferred A-1 from BHI. No such liability existed as of September 30, 2026 or March 31, 2026.

The Second A&R Agreements and ancillary documents contain covenants that (i) prevent Ben from issuing any securities senior to the BCH Preferred A-0 or BCH Preferred A-1; (ii) prevent Ben from incurring additional debt or borrowings greater than $10.0 million, other than trade payable, while the loans are outstanding; and (iii) prevent, without the written consent of HCLP, GWG from selling, transferring, or otherwise disposing of any BCH Preferred A-1 held as of May 15, 2020, other than to its subsidiary GWG DLP Funding V, LLC. GWG no longer holds any BCH Preferred A-1 Unit Accounts. Ben obtained consents for the Second A&R Agreements from HCLP in connection with the HH-BDH Credit Agreement (discussed below).

No payments of principal or interest have been made on the First Lien or Second Lien Credit Agreements since the interest payment made in March 2023. Accrued interest on the First Lien or Second Lien Credit Agreements of $35.0 million as of September 30, 2026 and $29.5 million as of March 31, 2026 is included in other liabilities in the consolidated statement of financial condition.

Ben may be required to pay an additional extension fee to extend the maturity dates of the Second A&R Agreements beyond April 14, 2025 and September 15, 2027 or other fees related to the Notice, depending on the outcome of the Company evaluation of the validity of its obligations under the Second A&R Agreements described above.

HH-BDH Credit Agreement

As discussed above, on October 19, 2023, Beneficient Financing, L.L.C. (the "Borrower"), a wholly owned subsidiary of the Company, and BCH, as guarantor (the "Guarantor" and together with the Borrower, the "Loan Parties") entered into the HH-BDH Credit Agreement. HH-BDH's sole member is Hicks Holdings. The managing member of Hicks Holdings was Mr. Thomas O. Hicks, a former member of the Board until his passing in December 2025. Hicks Holdings' managing member is now Mack Hicks, who joined our Board in March 2026. HH-BDH will receive customary fees and expenses in its capacity as a lender and as the administrative agent under the HH-BDH Credit Agreement, as further described below. Hicks Holdings and Mr. M. Hicks may be deemed to have a direct or indirect material financial interest with respect to the transactions contemplated by the HH-BDH Credit Agreement, as described below. HH-BDH funded the amounts under the HH-BDH Credit Agreement from the Financing.

The HH-BDH Credit Agreement provides for a three-year term loan in the aggregate principal amount of $25.0 million, which was fully drawn on closing (the "Term Loan"). On August 16, 2024, the Loan Parties entered into an amendment to the HH-BDH Credit Agreement (the "Amendment" and the HH-BDH Credit Agreement as amended, the "Amended Credit Agreement"), to, among other things, (i) add a subsequent term loan of up to $1,675,000, which was fully drawn upon closing of the Amendment (together with the Term Loan, the "Loans"), and (ii) waive certain events of default resulting from the occurrence of the Acknowledged Defaults (as defined in the Amendment), provided that in the case of the expense reimbursement default, the Borrower must cure the expense reimbursement default upon the earlier of (x) November 1, 2024 and (y) two business days following the effectiveness of Company's registration statement for resale of the shares of Class A common stock, underlying the convertible debentures and warrants issuable pursuant to the Purchase Agreement. During the three months ended June 30, 2025, we agreed to an advance under the term loan, as part of ongoing amendment discussions with HH-BDH, to add a subsequent term loan of $850 thousand, which has been fully drawn, and, the proceeds of which used to provide additional working capital. The amendment was not finalized prior to all outstanding principal amounts being repaid under the HH-BDH LLC Credit Agreement in January 2026 and the execution of the 2026 Letter Agreement on March 10, 2026, as further discussed below.

The Amended Credit Agreement also required the Borrower to prepay the outstanding principal balance of the Loans in the amount of $200,000, $200,000, $200,000, $200,000 and $875,000 on each of September 7, 2024, October 7, 2024, November 7, 2024, December 7, 2024 and December 31, 2024, respectively. Furthermore, on each Required Payment Date (as defined in the Amended Credit Agreement), the Borrower shall prepay the outstanding principal balance of the Loans by an amount equal to the lesser of (a) the Total Portfolio Net Receipts (as defined in the Amended Credit Agreement) for the most recently ended period beginning on the 16th day of each month and ending on the 15th day of the immediately following month, and (b) as of each Required Payment Date, an amount equal to the excess, if any, of (x)(i) the number of Required Payment Dates occurring on or prior to such Required Payment Date, multiplied by (ii) $500,000, minus (y) the amount of all Excess Payments (as defined in the Amended Credit Agreement) made prior to such Required Payment Date. Additionally, the Amended Credit Agreement requires the Borrower to make certain minimum monthly payments to prepay the balance of the Loans.

The Amended Credit Agreement also includes, among other things, (i) updates to conditions precedent for the HH-BDH to make the subsequent term loan to the Borrower, (ii) updates to certain representations and warranties, (iii) additional certain affirmative and negative covenants including a minimum liquidity financial covenant of $4.0 million and (iv) additional events that the occurrence of which would constitute an Event of Default (as defined in the Amended Credit Agreement). Except as modified by the Amendment, the terms of the HH-BDH Credit Agreement remain the same.

Borrowings under the HH-BDH Credit Agreement bear interest at the adjusted daily simple SOFR rate with a margin of 6.5% for the first two years and 5.5% for the third year. Accrued and unpaid interest is payable monthly, upon prepayment, and at maturity. The Term Loan was set to mature on October 19, 2026. In January 2026, all outstanding principal amounts were repaid under the HH-BDH Credit Agreement.

As discussed above, on March 10, 2026, we entered into the 2026 Letter Agreement to provide for payment terms for the remaining outstanding interest and fees, with such payment terms concluding no later than five business days following September 30, 2026. Effective October 7, 2026, we entered into an amendment to the 2026 Letter Agreement to extend the deadline for the $1.0 million cash payment to HH-BDH until March 31, 2027. The Company has at times in late fiscal year 2025 and in subsequent periods been in default on certain of the required payment obligations, financial covenants, and information reporting requirements of the HH-BDH Credit Agreement. The events of default under the HCLP Loan Agreement triggered a cross default provision in the HH-BDH Credit Agreement. The Company timely notified HH-BDH of the cross default. HH-BDH has not notified the Company that it intends to declare an event of default as it relates to cross default provision of the HH-BDH Credit Agreement or with respect to other defaults related to required payment obligations, financial covenants, and information reporting requirements.

Inflation

Changes in inflation do not necessarily correlate with changes in interest rates. We presently do not foresee any material impact of inflation on our results of operations in the periods presented in our consolidated financial statements.

Unfunded Capital Commitments

The Customer ExAlt Trusts had $19.8 million and $30.4 million of potential gross capital commitments as of September 30, 2026, and March 31, 2026, respectively, representing potential limited partner capital funding commitments on the interests in alternative asset funds. The trust holding the interest in the limited partnership for the alternative asset fund is required to fund these limited partner capital commitments per the terms of the limited partnership agreement. Capital funding commitment reserves are maintained by certain of the associated trusts within the ExAlt Plan™ or affiliated entities. To the extent that the associated Customer ExAlt Trust or their affiliated entities cannot pay the capital funding commitment, Ben is obligated to lend sufficient funds to meet the commitment. Any amounts advanced by Ben to the Customer ExAlt Trusts for these limited partner capital funding commitments above the associated capital funding commitment reserves, if any, held by the associated Customer ExAlt Trusts or their affiliated entities are added to the ExAlt Loan balance between Ben and the Customer ExAlt Trusts and are expected to be recouped through the cash distributions from the alternative asset fund that collateralizes such ExAlt Loan.

Capital commitments generally originate from limited partner agreements having fixed or expiring expiration dates. The total limited partner capital funding commitment amounts may not necessarily represent future cash requirements. The majority, or 100%, of our portfolio with an unfunded commitment has a vintage of 2015 and prior. As the vintages continue to age, a cash requirement becomes less likely. We consider the creditworthiness of the investment on a case-by-case basis. As of September 30, 2026 and March 31, 2026, there were no reserves for losses on unused commitments to fund potential limited partner capital funding commitments. In connection with the Asset Sales Initiatives, $0.1 million of unfunded capital commitments as of September 30, 2026 were or will be assigned to, and assumed by, the purchasers in the executed transactions that have yet to close once those transactions are completed.

Dependence on Related Party Transactions

In the ordinary course of business, we depend on certain transactions with related parties. For example, as discussed above, Ben, through its subsidiaries, is a party to the Second A&R Agreements with HCLP. HCLP is an indirect subsidiary of Highland Consolidated, L.P. Ben's former CEO is a beneficiary and trust investment advisor of the trusts that control, and are the partners of, Highland Consolidated, L.P. As of September 30, 2026, we had approximately $94.3 million (including an unamortized premium thereon) of debt outstanding derived from BCH's secured loans with HCLP. In addition, unpaid interest of $35.0 million was accrued and owed as of September 30, 2026. As described elsewhere, on July 30, 2025, we were notified of events of default under the HCLP Loan Agreement, however, in connection with Mr. Heppner's conviction and the facts established in the related proceedings, the Company is evaluating the validity of its obligations under the HCLP Loan Agreement and the liens securing the HCLP Loan and is considering all options that it may pursue related to this conduct, including litigation against Mr. Heppner, HCLP and any direct or indirect control parties of HCLP.

Additionally, effective October 19, 2023, Ben, through its subsidiaries, is a party to the $25.0 million HH-BDH Credit Agreement with HH-BDH. HH-BDH's sole member is Hicks Holdings whose managing member was a member of our Board until the passing of Thomas O. Hicks in December 2025. Subsequently, Mr. Hicks' son, Mack Hicks, was appointed to our Board in March 2026. Mack Hicks is now the managing member of Hicks Holdings. On August 16, 2024, Amendment to the HH-BDH Credit Agreement was executed to add a subsequent term loan of $1.7 million. During the three months ended June 30, 2025, we borrowed an additional $850 thousand under the HH-BDH Credit Agreement and primarily with proceeds from the Asset Sales Initiative made principal payments that paid off all outstanding principal under the HH-BDH Credit Agreement in January 2026. As of the date of repayment of the outstanding principal amounts, approximately $1.7 million in interest and fees that had been deferred were still owed to HH-BDH. As discussed above, on March 10, 2026, we entered into the 2026 Letter Agreement to provide for payment terms for the remaining outstanding interest and fees, with such payment terms concluding no later than five business days following September 30, 2026. Effective October 7, 2026, we entered into an amendment to the 2026 Letter Agreement to extend the deadline for the $1.0 million cash payment to HH-BDH until March 31, 2027.

Furthermore, Ben and BCH are parties to a Services Agreement with Bradley Capital Company, L.L.C. ("Bradley Capital") and Beneficient Management Counselors, L.L.C. effective June 1, 2017. Effective as of January 1, 2022, the parties entered into the First Amended and Restated Services Agreement and effective June 7, 2023, the parties entered into the Second Amended and Restated Services Agreement (the "Services Agreement"). Bradley Capital is an entity associated with Ben's former CEO. During both the three months ended September 30, 2026 and 2025, Ben recognized expenses totaling $0.7 million related to this Services Agreement. During both the six months ended September 30, 2026 and 2025, Ben recognized

expenses totaling $1.4 million related to this Services Agreement. As of September 30, 2026 and March 31, 2026, $8.2 million and $6.8 million, respectively, was owed to Bradley Capital related to the Services Agreement.

Critical Accounting Estimates

We have identified certain accounting estimates that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. Actual amounts and values as of the balance sheet dates may be materially different than the amounts and values reported due to the inherent uncertainty in the estimation process. Also, future amounts and values could differ materially from those estimates due to changes in values and circumstances after the balance sheet date. The critical accounting estimates that we believe to be the most critical in preparing our consolidated financial statements relate to the fair value determination of investments in alternative assets held by the Customer ExAlt Trusts, the determination of the allowance for credit losses, principally relevant as an input to the allocation of income (loss) to Ben's and BCH's equity holders, the allocation of income (loss) to Ben's and BCH's equity holders, evaluation of potential loss contingencies principally related to ongoing legal matters and evaluation of potential impairment of goodwill and other intangibles. Since March 31, 2026, there have been no changes in critical accounting estimates as further described under "*Critical Accounting Estimates*" in our Annual Report.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4 — CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and to ensure that information required to be disclosed is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2026, the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2026.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the three months ended September 30, 2026, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

Except as set forth below, there have been no material changes in the legal proceedings previously disclosed in response to Part I, Item 3. "Legal Proceedings" set forth in our Annual Report on Form 10-K for the year ended March 31, 2026 filed with the SEC on June 30, 2026.

Equity Awards Arbitration

On December 16, 2022, a former member of the Board of Directors of Beneficient Management, LLC (the "Claimant") initiated a private arbitration in the International Court of Arbitration of the International Chamber of Commerce, challenging the termination of certain equity awards under two incentive plans by the administrator of the incentive plans. The Claimant sought total damages of $36.3 million plus attorney's fees and punitive damages. On April 23, 2024, the sole arbitrator held that in terminating the Claimant's equity awards, the Company had breached its contractual obligations, and as a result, awarded the Claimant $55.3 million in compensatory damages, including pre-judgment interest, plus post-judgment interest (the "Arbitration Award"). Neither attorneys' fees nor punitive damages were awarded to the Claimant. The Company was also asked to pay arbitration-related costs in the amount of approximately $0.1 million.

On July 29, 2024, the Texas State District Court, Dallas County 134th Judicial District (the "Texas District Court") entered an order vacating the Arbitration Award in its entirety. The Texas District Court directed the parties to file motions requesting any further relief that may be available within twenty days of the order. On August 2, 2024, the Claimant filed an appeal to challenge the order vacating the Arbitration Award in the Texas Fifth Court of Appeals. The Claimant filed his opening brief on October 28, 2024, and the Company filed its response brief on January 21, 2025. On February 10, 2025, the Claimant filed his reply brief. The Texas Fifth Court of Appeals heard oral arguments in April 2025. On October 10, 2025, the Texas Fifth Court of Appeals reversed the judgment of the Texas District Court and confirmed the previous Arbitration Award. On November 12, 2025, the Company filed a motion for re-hearing with the Texas Fifth Court of Appeals. On May 13, 2026, the Texas Fifth Court of Appeals denied the Company's motion for re-hearing. On June 4, 2026, the Company filed a petition for review with the Supreme Court of Texas requesting that it reverse the Texas Fifth Court of Appeals' ruling and reinstate the trial court's decision to vacate the arbitration award, which was denied by the Supreme Court of Texas on September 9, 2026. The Supreme Court of Texas also denied the Company's motion for rehearing on October 30, 2026. In the Texas District Court, on April 20, 2026, the Company was ordered to post a bond of not less than $25 million as security to protect the judgment pending appeal. On April 30, 2026, the Company filed a Motion for Reconsideration and Stay challenging the bond order. On June 18, 2026, the Company filed a Sworn Declaration establishing that the aggregate current net worth under U.S. GAAP of the defendant entities as determined under Texas law is negative. On June 22, 2026, consistent with the Sworn Declaration, the Company deposited a $100 cash bond in lieu of a supersedeas bond pursuant to Texas Rule of Appellate Procedure 24.2(a)(1) and Texas Civil Practice & Remedies Code § 52.006. The Company will continue to vigorously defend itself in this matter and we are exploring available options with respect to the Arbitration Award, which may include working with the Claimant on settlement terms that could reduce the potential near-term cash obligations associated with the arbitration. There can be no assurance that we will be able to reach a settlement on terms that are favorable to us or at all.

Other

On May 7, 2026, Brad K. Heppner, the Company's founder and former CEO, was convicted of securities fraud, wire fraud, conspiracy to commit securities fraud and wire fraud, and false statements to auditors by a jury of his peers. Prior to his conviction, on May 5, 2026, Mr. Heppner submitted a demand to the Company seeking advancement of approximately $3.8 million in incurred criminal defense costs, plus additional amounts for anticipated future appellate proceedings, under certain indemnification provisions in the Bylaws, the Services Agreement, the Second Amended and Restated Limited Liability Company Agreement of BCG, and the Ninth A&R BCH LPA.

On May 28, 2026, the Company, together with its subsidiaries BCG and BCH, filed a complaint in the Eighth Judicial District Court of Clark County, Nevada against Mr. Heppner and Bradley Capital Company, LLC. The complaint seeks a declaratory judgment that Mr. Heppner is not entitled to advancement or indemnification under the Bylaws or the Services Agreement, and that BCG and BCH have no obligation to advance Mr. Heppner's legal fees and expenses incurred in connection with his criminal prosecution in the United States District Court for the Southern District of New York.

On June 5, 2026, Mr. Heppner filed a competing lawsuit in Delaware Chancery Court against the Company, BCG, and BCH seeking advancement of Mr. Heppner's legal fees and expenses incurred in connection with his criminal prosecution, attorney's fees incurred in pursuing his advancement claim, and additional relief. The Company intends to vigorously pursue its claims for declaratory relief in the Nevada lawsuit, and to vigorously defend against Mr. Heppner's claims in the Delaware lawsuit.

As previously disclosed, on October 10, 2025, HCLP brought an action in the Court of Chancery against DTC individually and as trustee for twenty-five Custody Trusts. On October 23, 2026, the Company and certain subsidiaries filed a motion to intervene, which seeks to invalidate the HCLP credit agreements and related loan documents and cancel the purported obligations, recover the approximately $211 million the Company previously paid on the purported debt and establish that HCLP has no valid right to the related collateral.

On October 2, 2026, Friedman Kaplan Seiler Adelman & Robbins LLP initiated a legal proceeding in the Supreme Court of the State of New York seeking to recover in excess of $2.3 million in unpaid legal fees from HCLP and its affiliates incurred in connection with a series of litigation matters and investigations relating to GWG. The plaintiff has sued the Company and certain subsidiaries and Custody Trusts as guarantors under certain credit agreements with HCLP. The Company intends to vigorously defend against such claims.

ITEM 1A — RISK FACTORS

Except as set forth below, there have been no material changes in the risk factors previously disclosed in response to Part I, Item 1A. “Risk Factors” set forth in the Company’s Annual Report on Form 10-K for the year ended March 31, 2026 filed with the SEC on June 30, 2026.

We have been notified by Nasdaq that we do not meet the minimum Market Value of Listed Securities requirement for continued listing, and if we are unable to regain compliance, our Class A common stock and warrants could be delisted from Nasdaq.

On November 5, 2026, we received a letter from the Listing Qualifications Department of Nasdaq notifying us that, based on the 30 consecutive business days from September 24 through November 4, 2026, the Market Value of Listed Securities (“MVLS”) of the Company was below the $35 million minimum required for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(b)(2). In accordance with Listing Rule 5810(c)(3)(C), we have been provided a compliance period of 180 calendar days, or until May 4, 2027, to regain compliance. To regain compliance, our MVLS must close at $35 million or more for a minimum of ten consecutive business days, although Nasdaq may, in its discretion, require us to satisfy this requirement for a longer period, generally no more than 20 consecutive business days. If we do not regain compliance by May 4, 2027, we expect to receive written notification that our securities are subject to delisting, at which time we may appeal the delisting determination to a Hearings Panel.

We intend to monitor our MVLS and are evaluating available options to regain compliance. However, there can be no assurance that we will be able to regain compliance with the MVLS requirement or maintain compliance with the other Nasdaq continued listing requirements. If we are delisted from Nasdaq, our securities may be eligible for trading on an over-the-counter market. If we are not able to obtain a listing on another stock exchange or quotation service for our securities, it may be extremely difficult or impossible for stockholders to sell their shares. If we are delisted from Nasdaq, but obtain a substitute listing for our securities, it will likely be on a market with less liquidity, and therefore experience potentially more price volatility than experienced on Nasdaq. Stockholders may not be able to sell their securities on any such substitute market in the quantities, at the times, or at the prices that could potentially be available on a more liquid trading market. As a result of these factors, if our securities are delisted from Nasdaq, the value and liquidity of our securities would likely be significantly adversely affected. A delisting of our securities from Nasdaq could also adversely affect our ability to obtain financing for our operations and/or result in a loss of confidence by investors, employees and/or business partners.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Except as set forth below, there were no sales of unregistered securities during the quarter ended September 30, 2026 that were not previously reported on a Current Report on Form 8-K or in our Quarterly Report on Form 10-Q filed on August 14, 2026.

From June 29, 2026 through September 16, 2026, the Company issued an aggregate of 2,902,240 shares of Class A common stock under the A&R SEPA, consisting of: (i) 280,631 shares of Class A common stock issued on June 29, 2026 as payment of a commitment fee, (ii) 37,778 shares of Class A common stock issued on August 7, 2026 upon conversion of approximately $100,548 aggregate principal amount of the Promissory Notes, (iii) 881,589 shares of Class A common stock issued on September 11, 2026 upon conversion of approximately $1,109,370 aggregate principal amount of the Promissory Notes, and (iv) 1,702,242 shares of Class A common stock issued on September 16, 2026 upon conversion of approximately $1,514,995 aggregate principal amount of the Promissory Notes. The issuance of the Class A common stock pursuant to these transactions was not registered under the Securities Act. The Promissory Notes and the shares issued as payment of the commitment fee were issued in reliance upon the exemption provided in Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder, and the shares of Class A common stock issued upon conversion of the Promissory Notes were issued in reliance upon the exemption provided in Section 3(a)(9) of the Securities Act.

ITEM 3 — DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 — MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5 — OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During the three months ended September 30, 2026, none of the Company's directors or executive officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6 — EXHIBITS

Exhibit	
3.1.1	Articles of Incorporation of Beneficient (incorporated by reference to Exhibit 3.1.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 8, 2023).
3.1.2	Certificate of Change to the Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report of Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on April 16, 2024).
3.1.3	Certificate of Amendment to the Articles of Incorporation, filed October 2, 2024 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on October 4, 2024).
3.1.4	Certificate of Amendment to the Articles of Incorporation, filed December 10, 2025 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on December 11, 2025).
3.1.5	Certificate of Designation of Beneficient Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1.2 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 8, 2023).
3.1.6	Certificate of Designation of Beneficient Series B-1 Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on August 2, 2023).
3.1.7	Certificate of Designation of Beneficient Series B-2 Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on February 6, 2023).
3.1.8	Certificate of Designation of Beneficient Series B-3 Convertible Preferred Stock (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on February 6, 2023).
3.1.9	Certificate of Designation of Beneficient Series B-4 Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on March 28, 2024).
3.1.10	Certificate of Designation of Beneficient Series B-5 Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on January 6, 2025).
3.1.11	Certificate of Designation of Beneficient Series B-6 Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on April 7, 2025).
3.1.12	Certificate of Designation of Beneficient Series B-7 Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on April 25, 2025).
3.1.13	Certificate of Designation of Beneficient Series B-8 Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 25, 2025).
3.1.14	Certificate of Designation of Beneficient Series B-9 Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on January 8, 2026).
3.1.15	Certificate of Designation of Beneficient Series B-10 Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on April 10, 2026).
3.1.16	Certificate of Designation of Beneficient Series B-11 Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on July 13, 2026).
3.2	Bylaws of Beneficient (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 8, 2023).
4.1.1	Specimen Class A Common Stock Certificate of Beneficient (incorporated by reference to Exhibit 4.1 to The Beneficient Company Group, L.P.'s Registration Statement on Form S-4/A (File No. 333-268741) filed with the Securities and Exchange Commission on April 19, 2023).
4.1.2	Specimen Class B Common Stock Certificate of Beneficient (incorporated by reference to Exhibit 4.2 to The Beneficient Company Group, L.P.'s Registration Statement on Form S-4/A (File No. 333-268741) filed with the Securities and Exchange Commission on April 19, 2023).
4.2	Stockholders Agreement, dated June 6, 2023, by and among Beneficient, Beneficient Holdings Inc., Hicks Holdings Operating, LLC and Bruce W. Schnitzer (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 8, 2023).
4.3.1	Form of Asset PIPE Warrant (incorporated by reference to Exhibit 4.3 to Beneficient's Form 10-K (File No. 001-41715) filed with the Securities and Exchange Commission on July 13, 2023).
4.3.2	Warrant Agreement, dated October 5, 2021, between Continental Stock Transfer & Trust Company and Avalon Acquisition Inc. (incorporated by reference to Exhibit 4.1 to Avalon Acquisition Inc.'s Current Report on Form 8-K (File No. 001-40872) filed with the Securities and Exchange Commission on October 12, 2021).

4.3.3	Assignment, Assumption and Amendment to Warrant Agreement by and among The Beneficient Company Group, L.P., Avalon Acquisition Inc. and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1.2 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 8, 2023).
4.4.1	First Amended and Restated Limited Liability Agreement of Beneficient Company Group, L.L.C. dated June 6, 2023 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 8, 2023).
4.4.2	Second Amended and Restated Limited Liability Agreement of Beneficient Company Group, L.L.C. effective April 18, 2024 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on April 16, 2024).
4.5	Exchange Agreement dated June 7, 2023, by and among Beneficient, Beneficient Company Group, L.L.C. and Beneficient Company Holdings, L.P. (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 8, 2023).
4.6.1	Registration Rights Agreement, dated June 7, 2023, Beneficient, Beneficient Holdings Inc., Hicks Holdings Operating, LLC and Bruce W. Schnitzer, Avalon Acquisition Holdings, LLC (incorporated by reference to Exhibit 4.7 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 8, 2023).
4.6.2	Registration Rights Agreement with GWG Holdings, Inc., a Delaware corporation, certain trusts related to The Beneficient Company Group, L.P., a Delaware limited partnership, and as set forth in the Agreement, dated August 10, 2018 (incorporated by reference to Exhibit 10.14 to The Beneficient Company Group, L.P.'s Registration Statement on Form S-4 (File No. 333-268741) filed with the Securities and Exchange Commission on December 9, 2022).
4.6.3	Registration Rights Agreement Assignment and Joinder, dated as of August 1, 2023, by and among Beneficient, GWG Holdings, Inc. and the GWG Wind Down Trust and Jeffrey S. Stein (incorporated by reference to Exhibit 4.5.3 to the Company's Registration Statement on Form S-1/A (File No. 333-273322) filed with the Securities and Exchange Commission on August 30, 2023).
4.6.4	Registration Rights Agreement with Hatteras Investment Partners dated December 7, 2021 (incorporated by reference to Exhibit 10.15 to The Beneficient Company Group, L.P.'s Registration Statement on Form S-4 (File No. 333-268741) filed with the Securities and Exchange Commission on December 9, 2022).
4.6.5	Registration Rights Agreement, by and between Beneficient and YA II PN, Ltd., dated August 6, 2024 (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on August 7, 2024).
4.6.6	Registration Rights Agreement, by and between Beneficient and YA II PN, Ltd., dated June 26, 2026 (incorporated by reference to Exhibit 4.6.6 to the Company's Annual Report on Form 10-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 29, 2026).
4.7	Eighth Amended and Restated Limited Partnership Agreement of Beneficient Company Holdings, L.P. dated June 7, 2023 (incorporated by reference to Exhibit 4.8 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 8, 2023).
4.8.1	Ninth Amended and Restated Limited Partnership Agreement of Beneficient Company Holdings, L.P., effective April 18, 2024 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on April 16, 2024).
4.8.2	First Amendment to the Ninth Amended and Restated Limited Partnership Agreement of Beneficient Company Holdings, L.P. effective September 30, 2024 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on October 4, 2024).
4.9	Form of Convertible Debenture (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on August 7, 2024).
4.10	Form of Warrant (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on August 7, 2024).
4.11	Form of Convertible Promissory Note (incorporated by reference to Exhibit 4.12 to the Company's Annual Report on Form 10-K (File No. 001-41715) filed with the Securities and Exchange Commission on June 30, 2026).
10.1	Letter Agreement Amendment, effective October 7, 2026, by and among HH-BDH LLC, Beneficient Financing, L.L.C. and Beneficient Company Holdings, L.P. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-41715) filed with the Securities and Exchange Commission on October 14, 2026).
31.1*	Chief Executive Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Chief Financial Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. §1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. §1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** The certifications as Exhibit 32.1 and Exhibit 32.2 are not deemed "filed" with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Beneficient under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BENEFICIENT

Date: November 16, 2026

By: /s/ James G. Silk
Chief Executive Officer
(Principal Executive Officer and duly authorized officer)

Date: November 16, 2026

By: /s/ Gregory W. Ezell
Chief Financial Officer
(Principal Financial Officer and duly authorized officer)

Exhibit No. 31.1

CERTIFICATION

I, James G. Silk, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 of Beneficient;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2026

/s/ James G. Silk
James G. Silk
Chief Executive Officer

Exhibit No. 31.2

CERTIFICATION

I, Gregory W. Ezell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 of Beneficient;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2026

/s/ Gregory W. Ezell
Gregory W. Ezell
Chief Financial Officer

Exhibit No. 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 of Beneficient (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James G. Silk, Chief Executive Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 16, 2026

/s/ James G. Silk
James G. Silk
Chief Executive Officer

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit No. 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 of Beneficient (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory W. Ezell, Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 16, 2026

/s/ Gregory W. Ezell
Gregory W. Ezell
Chief Financial Officer

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.