Future of Life Institute

Financial Statements

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Future of Life Institute

Opinion

We have audited the accompanying financial statements of Future of Life Institute (the "Organization"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Future of Life Institute as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Future of Life Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Future of Life Institute's ability to continue as a going concern for a reasonable period of time.

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

Armanino LLP

San Jose, California

June 16, 2026

Future of Life Institute
Statement of Financial Position
December 31, 2025

ASSETS

Current assets	
Cash and cash equivalents	$ 2,903,387
Due from related organizations	1,125,225
Prepaid and other current assets	1,579,397
Operating lease right-of-use assets	17,403
Total current assets	5,625,412
Property and equipment, net	59,392
Total assets	$ 5,684,804

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	$ 449,525
Accrued expenses	467,362
Grants payable	43,000
Due to related organizations	430,343
Operating lease liabilities	16,733
Total current liabilities	1,406,963
Net assets	
Without donor restrictions	4,277,841
Total net assets	4,277,841
Total liabilities and net assets	$ 5,684,804

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

Future of Life Institute
Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributions	$ 45,234,659	$ -	$ 45,234,659
Interest income	151,847	-	151,847
Total revenues, gains, and other support	45,386,506	-	45,386,506
Functional expenses			
Program services			
Grants to charitable organizations	26,723,738	-	26,723,738
Other programs	17,599,618	-	17,599,618
Total program services	44,323,356	-	44,323,356
Management and general	1,868,406	-	1,868,406
Total functional expenses	46,191,762	-	46,191,762
Change in net assets from operations	(805,256)	-	(805,256)
Foreign currency transaction loss	(5,338)	-	(5,338)
Change in net assets	(810,594)	-	(810,594)
Net assets, beginning of year	5,088,435	-	5,088,435
Net assets, end of year	$ 4,277,841	$ -	$ 4,277,841

Future of Life Institute
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Grants to other charitable organizations	Other programs	Total Program Services	Management and General	Total
Grants to charitable organizations	$ 26,723,738	$ -	$ 26,723,738	$ -	$ 26,723,738
Marketing and communications	-	5,791,936	5,791,936	2,953	5,794,889
Payroll	-	4,502,735	4,502,735	515,893	5,018,628
Legal and professional	-	3,905,763	3,905,763	461,323	4,367,086
Contracts and awards	-	1,998,920	1,998,920	-	1,998,920
Travel and events	-	1,294,733	1,294,733	427,048	1,721,781
Software and equipment	-	38,873	38,873	146,041	184,914
Rent expenses	-	15,166	15,166	150,357	165,523
Accounting services	-	-	-	91,568	91,568
Dues and subscriptions	-	30,546	30,546	9,248	39,794
Supplies	-	18,709	18,709	17,318	36,027
Depreciation	-	-	-	15,637	15,637
Bank charges	-	508	508	13,749	14,257
Insurance	-	-	-	7,792	7,792
Office expenses	-	1,101	1,101	6,238	7,339
Shipping and delivery	-	23	23	2,184	2,207
Printing	-	605	605	1,057	1,662
	$ 26,723,738	$ 17,599,618	$ 44,323,356	$ 1,868,406	$ 46,191,762

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

Future of Life Institute
Statement of Cash Flows
For the Year Ended December 31, 2025

Cash flows from operating activities	
Change in net assets	$ (810,594)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	15,637
Amortization of right-of-use assets	52,208
Foreign currency transaction loss	5,338
Changes in operating assets and liabilities	
Due from related organizations	(573,892)
Prepaid and other current assets	(33,145)
Accounts payable	(148,050)
Accrued expenses	161,283
Grants payable	43,000
Due to related organizations	143,605
Operating lease liabilities	(52,662)
Net cash used in operating activities	(1,197,272)
Cash flows from investing activities	
Proceeds from sale of investments	3,729,973
Purchases of property and equipment	(69,420)
Net cash provided by investing activities	3,660,553
Net increase in cash and cash equivalents	2,463,281
Cash and cash equivalents, beginning of year	440,106
Cash and cash equivalents, end of year	$ 2,903,387

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

1. OPERATIONS AND NONPROFIT STATUS

Future of Life Institute (the "Organization") is a Pennsylvania non-profit Organization which was established to catalyze and support research and initiatives for safeguarding life and developing optimistic visions of the future, including positive ways for humanity to steer its own course considering new technologies and challenges. The Organization provides grants to research teams for a global research program aimed at keeping artificial intelligence beneficial to humanity.

The Organization was incorporated as the Future of Life Institute in 2014 and received the nonprofit status under the provisions of the state of Pennsylvania Nonprofit Corporation Act and qualifies as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code in 2014. Accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred. The Organization reports its financial position and operating activities separately by class of net assets:

- *Net assets without donor restrictions* - Represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the Organization at the discretion of the Organization's management and the Board of Directors.
- *Net assets with donor restrictions* - Include contributions received from donors that are restricted for specific purposes or for subsequent periods. When a donor-imposed restriction is satisfied or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets held in perpetuity consist of assets subject to donor-imposed restrictions that do not expire, such as endowments.

  As of December 31, 2025, all of the Organization's net assets are classified as without donor restrictions, as there were no donor-imposed restrictions.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and revenue and expenses. Accordingly, actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets which range from 3 - 5 years.

Leases

The Organization accounts for leases under FASB Accounting Standards Codification 842 ("ASC 842"), *Leases*. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the statement of financial position. Finance leases are included in property and equipment and other long-term liabilities on the statement of financial position. The Organization does not have any finance leases.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's lease does not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

The Organization has elected to recognize right-of-use assets and lease liabilities for short-term leases instead of recording them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include a purchase option that the lessee is reasonably certain to exercise.

Contributions

Contributions are recognized as revenue when received or unconditionally promised, measured at fair value. Contributions are classified as without donor restrictions or with donor restrictions based on the existence and nature of any donor-imposed restrictions. The Organization reports contributions as without donor restrictions if they are available for general use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions (continued)

For contributions that include donor-imposed time or purpose restrictions, such amounts are reported as with donor restrictions and are reclassified to net assets without donor restrictions when the restrictions are satisfied. If a donor restriction is satisfied in the same reporting period in which the contribution is received, the Organization reports the contribution as without donor restrictions.

Allocation of functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Expenses directly attributed to a specific functional area are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among various functional areas based on estimates determined by management to be equitable. The Organization did not conduct any fundraising activities during the period; accordingly, no expenses have been allocated to fundraising. Management reviews the allocation methodologies periodically and adjusts them, if necessary, to reflect changes in the Organization's operations.

Grants to charitable organizations

Grants made by the Organization are recognized as grant expense and a corresponding grants payable at the time the Organization makes an unconditional promise to give, which generally occurs when the grantee is notified. Conditional grants are recognized as grant expense and grants payable in the period in which the conditions are substantially met by the grantee.

Grants payable that are expected to be settled over periods greater than one year are typically recorded at the present value of future cash flows. As of December 31, 2025, the Organization had no long-term grants payable.

Marketing and advertising

Marketing and advertising costs are expensed in the period that the costs are incurred.

Income taxes

The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code. The entity qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A) (viii), under IRC Section 509(a) (3) is considered not to be a private foundation. The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Future of Life Institute has evaluated its current tax positions and has concluded that as of December 31, 2025, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits of $250,000. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

For the year ended December 31, 2025, one donor accounted for 99% of the revenue and other support received by the Organization.

3. LIQUIDITY AND FUND AVAILABLE

As part of the Organization liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

The following is a quantitative disclosure which describes financial assets that are available within the year ended December 31, 2025 to fund general expenditures and other obligation as they become due:

Financial assets	
Cash and cash equivalents	$ 2,903,387
Due from related organizations	1,125,225
Other receivables	498,559
	4,527,171
Less: Amounts unavailable for general expenditures within one year	
Due to related organizations	(430,343)
	(430,343)
	$ 4,096,828

4. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2025 consist of the following:

Computer equipment	$ 69,420
Leasehold improvements	12,970
Less: accumulated depreciation	(22,998)
	$ 59,392

Depreciation expense for the year ended December 31, 2025 was $15,637.

5. LEASES

The Organization maintains a non-cancellable operating lease for an office building, which it accounts for under ASC 842. As part of the lease agreement, the Organization is responsible for covering the costs associated with real estate taxes and other expenses related to the leased facility. In addition, the Organization rents additional office space under short-term co-working arrangements or other short term leases for periods less than 12 months that qualify for the short term practical expedient under ASC 842, and accordingly the Organization does not recognize ROU assets and lease liabilities related to those leases.

Right-of-use lease assets and lease liabilities are recognized as of the commencement date based on the present value of the remaining lease payments over the lease term that are reasonably certain to exercise.

Lease costs recorded during the year ended December 31, 2025 were as follows:

Operating lease costs	$ 52,408
Variable lease costs	113,115
	$ 165,523

Future lease obligations for leases that have commenced were as follows as of December 31:

Year ending December 31,	
2026	$ 16,733
	$ 16,733

For the year ended December 31, 2025, the operating lease payment was $59,533. As of December 31, 2025, the term for the Organization's leases were less than one year and the discount rate used by the Organization was 5%.

6. RELATED PARTY TRANSACTIONS

The Organization's current Executive Director is a member of the Board of Directors of other not-for-profit Organizations (Future of Life Europe, Future of Life Foundation, Future of Life Asia, Lightcone Foundation, Future of Life Action and Research, Wise Ancestors, and Windfall Trust).

As of December 31, 2025, the Organization had several balances due from related organizations as a result of payroll and other costs paid by the Organization on behalf of those organizations under cost-sharing agreements.

Future of Life Foundation	$ 959,308
Beneficial AI Foundation	163,034
Future of Life Action and Research	2,883
	$ 1,125,225

As of December 31, 2025, the Organization had balances due to related organizations as a result of consulting fees paid for by related organizations on behalf of the Organization:

Future of Life Foundation	$ 430,343

During the year ended December 31, 2025 the Organization received several grants from related party organizations, as follows:

Lightcone Foundation	$ 45,197,838

In addition, during the year ended December 31, 2025, the Organization paid consulting fees to one member of the Board of Directors in the amount of $333,185 for various services provided to the Organization.

During the year ended December 31, 2025, the Organization also paid payroll expenses to one member of the Board of Directors in the amount of $470,826 for various services provided to the Organization.

7. DEFINED CONTRIBUTION PLANS – 401(K)

The Organization provides a Section 401(k) defined contribution. During the year ended December 31, 2025, the Organization paid $90,726, in employer contributions into the plan which are included in the wages and salaries expenses on the accompanying statements of activities.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 16, 2026, which is the date the financial statements were available to be issued. The Organization did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.