WATAN

FINANCIAL REPORT

For the year ending
December 31, 2025

NO MIDDLEMEN
TRUSTED FIELD TEAMS
IN PALESTINE

DELIVERING DIRECT IMPACT

WATAN

MESSAGE FROM THE CEO

Dear Donors, Supporters, and Partners,

On behalf of WATAN USA, I sincerely thank you for your continued trust and support. Your generosity allows us to advance our mission and create meaningful impact in the communities we serve.

Transparency and accountability are central to our responsibility to you. This financial report reflects our commitment to responsible stewardship and provides an overview of how the resources entrusted to us have been managed and utilized.

We remain committed to maintaining strong financial practices, transparency, and integrity in all that we do. Thank you for your partnership and for helping us make a lasting difference.

Salwa Adabashi

Salwa Adabashi
Chief Executive Officer
WATAN USA

WATAN

2025
IMPACT AT A GLANCE

280,800
PEOPLE REACHED

33,260
HOUSEHOLDS SUPPORTED

145,850
CHILDREN REACHED

17,120
FOOD BASKETS & FOOD PACKS DISTRIBUTED

1.6 MILLION
PIECES OF BREAD DISTRIBUTED

4,270
BABIES SUPPORTED WITH BABY MILK

WATAN

OUR 2025 IMPACT

PROGRAM CATEGORY	BENEFICIARIES / IMPACT
EMERGENCY FOOD ASSISTANCE	280,800 people
HOUSEHOLDS REACHED	33,260 households
FOOD BASKETS & FOOD PACKS	17,120 distributed
BREAD ASSISTANCE	16,000 bread packs
BREAD DISTRIBUTED	1.6 million pieces
BABY MILK	4,270 units distributed
CHILDREN REACHED THROUGH FUNDED FOOD PROGRAMS	145,850
WOMEN REACHED	78,250
MEN REACHED	56,700

280,800+
PEOPLE REACHED

33,260
HOUSEHOLDS SUPPORTED

17,120
FOOD BASKETS & FOOD PACKS

4,270
BABIES SUPPORTED

DELIVERING DIRECT IMPACT. CHANGING LIVES.

WATAN

OUR 100% DONATION COMMITMENT

100%

of every designated donation is used for the purpose communicated to our donors.

DESIGNATED FOR IMPACT

Every designated donation is allocated to its intended program or beneficiary.

TRACKED & ACCOUNTABLE

Donations are tracked and documented, with clear financial records maintained to support accountability.

CLEAR & TRANSPARENT

Where applicable, payment-processing, banking, administrative, or other related costs are disclosed rather than hidden within our 100% commitment.

Your trust **matters.**

Your donation **is accountable.**

Your impact **is our responsibility.**

We strive to ensure that every designated contribution creates the impact it was intended to make.

Thank you for allowing us to be part of your journey.

watanusa.org

WATAN USA

Financial Statements

Year Ended December 31, 2025

WATAN USA

Contents

Independent Auditor's Report

Board of Directors
Watan USA
Alexandria, Virginia

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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 of 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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.

Nova Tax & Accounting Services LLC

Ashburn, Virginia
August 7, 2026

Watan USA
Statement of Financial Position
As of December 31, 2025

Assets		
Current Assets		
Cash	$	477,444
Advances to implementing partners		1,875,000
Total current assets		2,352,444
Total Assets	$	2,352,444
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$	483,528
Refundable advances		2,075,000
Total current liabilities		2,558,528
Net Assets		
Withoutdonor restrictions		(206,084)
With donor restriction		-
Total Net Assets		(206,084)
Total Liabilities and Net Assets	$	2,352,444

See accompanying notes to financial statements

Watan USA
Statement of Activities
For the year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Donations and Support			
Contributions and donations	$ 244,988	$ 1,625,000	$ 1,869,988
Net assets released from restrictions	1,625,000	(1,625,000)	-
Total Donations and Support	1,869,988	-	1,869,988
Expenses			
Program services	1,911,077	-	1,911,077
Management and general	77,588	-	77,588
Fundraising	87,407	-	87,407
Total Expenses	2,076,072	-	2,076,072
Change in Net Assets	(206,084)	-	(206,084)
Net Assets, beginning of year	-	-	-
Net Assets, end of the year	$ (206,084)	$ -	$ (206,084)

See accompanying notes to financial statements

Watan USA
Statement of Functional Expenses
For the year ended December 31, 2025

	Program Services	Supporting Services		
	Orphan Care	Management & General	Fundraising	T otal
Program services	$ 1,478,495	$ -	$ -	$ 1,478,495
Operation and logistics	34,880	-	-	34,880
Contractors	11,625	-	-	11,625
Marketing and advertising	213,065	42,613	28,408	284,086
Legal and professional services	43,873	8,775	5,850	58,498
Consulting fees	125,907	25,181	16,788	167,876
Software and subscriptions	2,852	570	380	3,802
Bank charges and fees	-	373	-	373
Miscellaneous operating expenses	380	76	5 0	506
Events and campaigns	-	-	35,931	35,931
	$ 1,911,077	$ 77,588	$ 87,407	$ 2,076,072

See accompanying notes to financial statements

Watan USA
Statement of Cash Flows
For the year ended December 31, 2025

Cash flows from operating activities:		
Changeinnet assets	$	(206,084)
Adjustments to reconcile change in net assets to net cash provided in operating activities:		
Changes in operating assets and liabilities:		
Advances to implementing partners		(1,875,000)
Accounts payables and accrued expenses		483,528
Refundable advances		2,075,000
Net cash provided by operating activities		477,444
Net increase in cash for the period		477,444
Cash at the beginning of the period		-
Cash at the end of the period	$	477,444

See accompanying notes to financial statements

1. Nature of Operations

Watan USA (the Organization) is a nonprofit humanitarian charity organization established in 2024 and located in Alexandria, Virginia. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization's primary purpose is to provide humanitarian assistance and emergency relief to vulnerable and crisis-affected populations in regions impacted by conflict, displacement, poverty, and natural disasters. It fulfills its mission through the implementation of humanitarian programs focused on emergency relief, food assistance, provision of clean drinking water, healthcare and medical support, education, orphan care, and other related humanitarian services.

The Organization carries out its mission through donor-funded contributions received from individuals, philanthropic organizations and other supporters and utilizes such resources for the planning, funding, and implementation of humanitarian relief projects in coordination with implementing and operational partners.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets, contributions and donations are classified based on the existence or absence of donor or grantor-imposed restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subjected to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subjected to donor - (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At December 31, 2025, the Organization had no net assets with donor restrictions.

(b) Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Contributions and Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair values and recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. The Organization reports gifts of cash and other assets as contributions with donor restrictions if they are receivedwithdonorstipulations that limit the use of the donated assets, or if they are designated as support for futureperiods.Conditional promises to give, that is, those with a measurable performance or other barrier,andarightofreturn, are not recognized until the conditions on which they depend have been substantially met.Whenadonor'sintended purpose is met or time restriction expires, the net assets with donor restrictions aretransferredtonetassets without donor restrictions and reported in the statement of activities as net assets releasedfromrestrictions.Contributions with donor restrictions whose restrictions are met in the same reporting periodarereportedascontributions without donor restrictions. Grants and contracts that are conditioned upon certain performancerequirements or other barrier, and a right of return, are initially recorded as deferred revenue, and upontheincurrenceoftheallowable qualifying expenses earned revenue is then recognized.

(d) Functional AllocationofExpenses

The statement of functional expenses presentsexpenses by both natural and functional classification. Expenses that can be directly identified with a specific program or supporting service are charged accordingly.

The majority of the Organization's expenses are directly attributable to specific programs or supporting services. To the extent that expenses benefit more than one function, they are allocated based on reasonable estimates of usage or benefit received. Such allocations are not material to the financial statements.

(e) Advances to implementing partners

Advances to implementing partners primarily consist of funds advanced to implementing partners for humanitarian project activities that have not yet been fully utilized as of the reporting date. These amounts are initially recorded as advances to implementing partners in the statement of financial position when cash is disbursed and are expensed in the period in which the related project activities are performed. As of December 31, 2025, funds advanced to the implementing partners amounted to $1,875,000.

Management reviews advances to implementing partners at each reporting date based on available utilization reports and supporting documentation from implementing partners to ensure appropriate period recognition and valuation in accordance with US GAAP.

(f) Refundable Advances

Refundable advances represent funds received or receivable under funding agreements for which the related donor-imposed conditions and measurable performance barriers have not been completely satisfied as of the reporting date. In accordance with the terms of the underlying agreements, unutilized funds are subject to a right of return and are refundable to the respective donors if the specified conditions are not fulfilled. Accordingly, such amounts are recognized as refundable advances in the statement of financial position until the related conditions are substantially satisfied through the execution of the underlying humanitarian projects, at which time they are recognized as contribution revenue in the statement of activities. As of December 31, 2025, refundable advances related to such humanitarian projects amounted to $2,075,000.

3. Cash and Cash Equivalents

Cash and cash equivalents include checking and saving accounts held with banks. These are highly liquid investments with original maturities of three months or less and are not pledged to secure any of the Organization's obligations. The Organization maintains its cash in bank deposit accounts and money market accounts, which at times may exceed federally insured limits of $250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash and cash equivalents.

4. Net Assets
Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended December 31, 2025:

Purpose restricted contributions released during the year:	
Orphan Care	1,525,000
Marketing and Advertising	100,000
	$ 1,625,000

5. Liquidity and Availability of Financial Assets
As part of its liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization regularly monitors the liquidity required to meet its operational needs and other commitments. Financial assets available for general expenditure within one year of the date of the statement of financial position exclude cash amounts that have been advanced to implementing partners for specific humanitarian projects execution. Because these advanced funds are restricted by donors for designated humanitarian projects and are legally committed to external partners, they are not available to fund the Organization's general operations. In addition to its available financial assets, the Organization monitors liquidity to ensure sufficient cash is available to meet operating needs while complying with donor restrictions and project funding agreements. The Organization anticipates future funding and contributions to be sufficient to support general operating expenditures not covered by existing financial assets.

The following reflects the Organization’s financial assets as of December 31, 2025:

Cash	$ 477,444
Total Financial Assets	477,444
Those unavailable for general expenditures within one year due to:	
Net assets with donor restrictions	-
Total Financial Assets available to meet cash needs for general expenditures within one year	$ 477,444

6. Income Taxes
The Organization is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Accordingly, no provision or benefit for federal or state income taxes is recorded in the accompanying financial statements.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended December 31, 2025.

The Organization’s federal and state informational returns are subject to examination by taxing authorities, generally for three years after filing.

7. Related Party Transactions

WCCA FZ LLE is a related organization that serves as the Organization's Coordinating and Managing Partner for humanitarian projects. Under the applicable project agreements, WCCA FZ LLE is responsible for coordinating project implementation, administering project funds, monitoring implementing partners, and overseeing the execution of humanitarian activities in accordance with donor requirements.

As of December 31, 2025, the Organization had advances of $1,375,000 with WCCA FZ LLE, representing project funds advanced for humanitarian activities to be carried out subsequent to year end in accordance with the underlying project agreements. In addition, the Organization had a net payable balance of $400,000 due to WCCA FZ LLE, representing project expenditures incurred by WCCA FZ LLE on behalf of the Organization that remained outstanding as of the reporting date.

During the year ended December 31, 2025, the Organization recognized program expenses of $1,525,000 relating to humanitarian activities coordinated through WCCA FZ LLE.

Premium Gate General Trading LLC is a related organization that serves as the Organization’s Aid Products Supplier for humanitarian projects. A family member of the Chairman of the Board of Directors of Watan USA serves as a member of key management personnel of the Premium Gate General Trading LLC.

As of December 31, 2025, the Organization had advances of $500,000 with Premium Gate General Trading LLC, representing project funds advanced for humanitarian activities to be carried out subsequent to year end in accordance with the underlying project agreements.

The Organization received funding of $100,000 from Watan France during the year to finance media and marketing activities undertaken in support of the Organization's humanitarian programs and donor outreach initiatives. The funding was provided pursuant to the terms of the applicable funding arrangement and was utilized for its intended purpose.

The Organization follows its conflict-of-interest policy in reviewing the related party transactions.

8. Subsequent Events

The Organization has evaluated events subsequent to December 31, 2025, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 7, 2026 the date the financial statements were available to be issued. Based upon this evaluation, management determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

THANK YOU

Your generosity. Their hope. A stronger tomorrow.

None of this would be possible without you.
Your trust, your compassion, and your continued support
allow us to deliver life-changing aid and bring hope
to families who need it most.

Together, we are delivering direct impact and changing lives.

THANK YOU FOR BEING PART OF THIS JOURNEY.

The WATAN USA Team