



**NOTICE OF SPECIAL MEETING
OF SECURITYHOLDERS
AND
INFORMATION CIRCULAR OF CATHEDRA BITCOIN INC.**

With respect to the proposed

PLAN OF ARRANGEMENT

involving

CATHEDRA BITCOIN INC.

and

SPHERE 3D CORP.

Dated as of April 2, 2026

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Capitalized terms hereinafter used are defined in the Glossary of Terms or elsewhere in the Information Circular.

GENERAL DISCLOSURE INFORMATION

No person has been authorized by the Company to give any information or make any representations in connection with the Arrangement herein described other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by Cathedra or Sphere, as applicable.

References to "management" in this Information Circular mean the executive officers of Cathedra, as applicable. Any statements in this Information Circular made by or on behalf of management are made in such persons' capacities as officers of the Company, as applicable, and not in their personal capacities.

A Cathedra Securityholder should rely only on the information contained in this Information Circular and should not rely on certain parts of this Information Circular to the exclusion of others. The information contained in this Information Circular is accurate only as of the date of this Information Circular, regardless of the time of delivery of this Information Circular.

The unaudited pro forma consolidated financial statements of the Combined Company are based on Cathedra's management assumptions and adjustments which are inherently subjective. The unaudited pro forma consolidated financial statements may not be indicative of the consolidated financial position and consolidated results of operations that would have occurred if the transactions had taken place on the dates indicated or of the consolidated financial position or consolidated operating results which may be obtained in the future. The consolidated actual financial position and consolidated results of operations of Sphere for any period following the completion of the Arrangement will likely vary from the amounts set forth in the unaudited pro forma consolidated financial statements and such variation may be material.

This Information Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. Neither delivery of this Information Circular nor any distribution of the securities referred to in this Information Circular shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Information Circular.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Information Circular and the documents incorporated into this Information Circular by reference contain forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") within the meaning of applicable Canadian and U.S. securities legislation, including the *United States Private Securities Litigation Reform Act of 1995*. All statements, other than statements of historical fact, included herein including, without limitation, statements with respect to the Arrangement, the covenants of Cathedra, whether the Arrangement will be consummated, including the timing for completion of the Arrangement or whether conditions to the consummation of the Arrangement will be satisfied, the expected potential benefits of the Arrangement and the ability of the Combined Company to realize the anticipated benefits from the Arrangement, the likelihood of the Arrangement being completed, principal steps of the Arrangement, the timing of future activities of and developments related to Cathedra and Sphere, Cathedra and Sphere's anticipated business plans, securityholder approval of the Arrangement, regulatory approval of the Arrangement, stock exchange approval for listing of the Consideration Shares to be issued on NASDAQ pursuant to the Arrangement and delisting of the Cathedra Shares from the TSXV, receipt of the Final Order, expectations regarding the process and timing of delivery of the Consideration Securities to Cathedra Securityholders following the Effective Time, vertical integration and expansion into high-performance compute and AI infrastructure, the planned expansion of approximately 100 MW of additional capacity and diversification into broader high-density computing applications, projected reductions in power costs, the regulatory environment of cryptocurrency in applicable jurisdictions, the liquidity of Cathedra

Shares and Sphere Shares following the Effective Time, the expected milestones and generation of gross profit for the Combined Company, the expected use of available funds and unallocated working capital of the Combined Company, any expectations regarding future capital raises under Sphere's ATM Agreement, and estimated budgets, market position, financial and business prospects and financial outlooks of Cathedra and Sphere are forward-looking statements.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might", or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements, which include statements relating to, among other things, the ability of Cathedra or Sphere to continue to successfully compete in the market.

These forward-looking statements are based on the beliefs of Cathedra's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, there can be no assurance that the forward-looking statements will prove to be accurate. Such assumptions and factors include, among other things, the satisfaction of the terms and conditions of the Arrangement including the approval of the Arrangement's fairness by the Court, the receipt of the required governmental and regulatory approvals and consents, assumptions regarding bitcoin prices, hashrate and mining difficulty, assumptions regarding electricity costs and availability, assumptions regarding the regulatory environment for cryptocurrency and digital assets remaining materially unchanged, and assumptions regarding the successful integration of Cathedra and Sphere.

By their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cathedra or Sphere to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation: the Arrangement Agreement may be terminated in certain circumstances, general business, economic, competitive, political, regulatory and social uncertainties, cryptocurrency price volatility, risks related to digital asset operations, risks related to the ability to finance continued operations, history of losses of Cathedra and expectation of future losses for Cathedra and Sphere, risks related to factors beyond the control of Cathedra or Sphere, risks and uncertainties associated with cryptocurrency mining and hosting operations, risks related to the ability to obtain adequate financing for planned activities, risks related to governmental regulations, including regulations regarding cryptocurrency and digital assets, risks related to maintaining compliance with NASDAQ's continued listing standards (including with respect to the listing of the Consideration Shares on NASDAQ), future changes to laws and regulations, unknown risks for past activities, commodity price fluctuations, risks related to political instability and unexpected regulatory change, currency fluctuations and risks associated with a fixed exchange ratio, influence of third party stakeholders, conflicts of interest, risks related to dependence on key individuals, risks related to the involvement of some of the directors and officers of Cathedra and Sphere with other digital asset or cryptocurrency companies, enforceability of claims, the ability to maintain adequate control over financial reporting, risks related to the Cathedra Shares and Sphere Shares, including price volatility due to events that may or may not be within such parties' control, disruptions or changes in the credit or security markets, changes in project parameters as plans continue to be refined, changes in labour costs or other costs of operations, labour disputes, delays in obtaining governmental approvals or financing or in the completion of activities, the ability to renew existing licenses or permits or obtain required licenses and permits, speculative nature of cryptocurrency, risks relating to the possibility that such number of Cathedra Shareholders may exercise their Dissent Rights so as to cause the Board to believe that completion of the Arrangement would not be in the best interests of Cathedra, risks related to instability in the global economic climate and community and non-governmental actions and regulatory risks.

This list is not exhaustive of the factors that may affect any of forward-looking statements of Sphere and Cathedra. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Information Circular generally and certain economic and business factors, some of which may be beyond the control of Cathedra and Sphere. Some of the important risks and uncertainties that could affect forward-looking statements are described further below under the heading "*Particulars of Matters to be Acted Upon – The Arrangement – Arrangement Risk Factors*" and in Appendix "F" to this Information Circular under the heading "*Information Concerning Sphere — Risk Factors*".

Certain of the forward-looking statements and forward-looking information and other information contained herein concerning the digital asset and cryptocurrency industry and Cathedra's general expectations concerning the digital asset and cryptocurrency industry, Cathedra and Sphere, are based on estimates prepared by Cathedra or Sphere using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of the digital asset and cryptocurrency industry which Cathedra believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While Cathedra is not aware of any misstatement regarding any industry data presented herein, the digital asset and cryptocurrency industry involves risks and uncertainties that are subject to change based on various factors.

All forward-looking information attributable to Cathedra or Sphere, or persons acting on their behalf, is expressly qualified in their entirety by the cautionary statements set forth above. Readers of this Information Circular are cautioned not to place undue reliance on the forward-looking information contained in this Information Circular which reflect the analysis of the management of Cathedra and Sphere, as applicable, as of the date of this Information Circular. Neither Cathedra nor Sphere undertakes any obligation to update forward-looking information except as required by applicable securities laws.

At the Meeting, you will be asked to consider and, if deemed advisable, approve the Arrangement Resolution, the full text of which is reproduced in Appendix "A" of this Information Circular in respect of the Arrangement.

DATE OF INFORMATION

Information contained in this Information Circular is as of April 2, 2026, unless otherwise indicated.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

The historical financial statements of Sphere and the unaudited pro forma consolidated financial statements of the Combined Company contained in this Information Circular are reported in United States dollars and have been prepared in accordance with U.S. GAAP. The historical financial statements of Cathedra contained in this Information Circular are reported in Canadian dollars and have been prepared in accordance with IFRS. All other references to dollar amounts in this Information Circular are to Canadian dollars unless stated otherwise or the context otherwise requires.

GLOSSARY OF TERMS

For the purposes of this section, the following terms shall have the meanings ascribed thereto:

"Accelerated Cathedra RSUs" means the outstanding Cathedra RSUs that will fully vest immediately prior to the Effective Time in accordance with their terms;

"Acquisition Proposal" means, with respect to a Party, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only a Party and/or one or more of its wholly-owned Subsidiaries, any offer, proposal, expression of interest or inquiry from any person or group of persons "acting jointly or in concert" (within the meaning of National Instrument 62-104 – *Take Over Bids and Issuer Bids*), whether or not in writing and whether or not delivered to the shareholders of a Party, after March 5, 2026 relating to: (a) any acquisition or sale, direct or indirect, through one or more transactions, of: (i) the assets of that Party and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of that Party and its Subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of a Party and its Subsidiaries, taken as a whole, or (ii) 20% or more of the issued and outstanding voting or equity securities or any securities exchangeable for or convertible into voting or equity securities of that Party or any one or more of its Subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the fair market value of the consolidated assets of that Party and its Subsidiaries, taken as a whole; (b) any take-over bid, tender offer, exchange offer or other transaction that, if consummated, would result in such person or group of persons beneficially owning 20% or more of the issued and outstanding voting or equity securities of any class of voting or equity securities of that Party; (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, joint venture, partnership, liquidation, dissolution or other similar transaction involving that Party or any of its Subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20% or more of the consolidated assets or revenues, as applicable, of that Party and its Subsidiaries, taken as a whole; (d) any other similar transaction or series of transactions similar to those referred to in paragraphs (a) through (c) above, involving a Party or any of its Subsidiaries. For the purposes of the definition of **"Superior Proposal"**, reference in this definition of Acquisition Proposal to "20%" shall be deemed to be replaced by "100%";

"Act" or **"BCBCA"** means *Business Corporations Act*, S.B.C. 2004, c. 57, as amended;

"allowable capital loss" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses"*;

"Amalco" has the meaning ascribed thereto under *"Particulars of Matters to be Acted Upon – The Arrangement – Steps in the Arrangement"*;

"Amalco Sub" means S3D Acquisition Corp., a wholly-owned subsidiary of Sphere existing under the laws of British Columbia formed for the purpose of effecting the Arrangement;

"Amalgamation" has the meaning ascribed thereto under *"Particulars of Matters to be Acted Upon – The Arrangement – Steps in the Arrangement"*;

"Arrangement" means an arrangement under the provisions of Section 288 of the Act, on the terms and conditions set forth in the Plan of Arrangement;

"Arrangement Agreement" means the arrangement agreement between Cathedra and Sphere dated March 5, 2026, including the Exhibits and the Appendices thereto as the same may be supplemented or amended from time to time;

"Arrangement Resolution" means the resolution to be approved by the Cathedra Securityholders, substantially in the form and content set out in Appendix "A" to this Information Circular;

"**ATM Agreement**" has the meaning ascribed thereto under "*Particulars of Matters to be Acted Upon – The Arrangement – The Arrangement Agreement – Covenants of Cathedra and Sphere*";

"**Audit Committee**" has the meaning ascribed thereto under "*Audit Committee*";

"**Board**" means the board of directors of Cathedra;

"**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;

"**Cathedra**" or "**Company**" means Cathedra Bitcoin Inc.;

"**Cathedra LTIP**" means Cathedra's long term incentive plan as approved by the Board on June 18, 2024;

"**Cathedra MV Shares**" means the multiple voting shares in the authorized capital of Cathedra;

"**Cathedra Options**" means options to acquire Cathedra SV Shares, granted under the Cathedra LTIP, that are outstanding immediately prior to the Effective Time;

"**Cathedra RSUs**" means restricted share units to acquire Cathedra SV Shares granted under the Cathedra LTIP;

"**Cathedra Securities**" mean Cathedra Shares, Cathedra Warrants, Cathedra Options and Cathedra RSUs;

"**Cathedra Securityholders**" means holders of Cathedra Securities;

"**Cathedra Shareholders**" or "**Shareholders**" means the holders of Cathedra Shares;

"**Cathedra Shares**" or "**Shares**" means, collectively, the Cathedra SV Shares and the Cathedra MV Shares;

"**Cathedra SV Shares**" means the subordinate voting shares in the authorized capital of Cathedra;

"**Cathedra Warrants**" means the share purchase warrants of Cathedra, exercisable to acquire Cathedra SV Shares, that are outstanding immediately prior to the Effective Time;

"**CEO**" means the Chief Executive Officer;

"**CFO**" means the Chief Financial Officer;

"**Change in Recommendation**" has the meaning ascribed thereto in the Arrangement Agreement;

"**Combined Company**" means Sphere following completion of the Arrangement;

"**Confidentiality Agreement**" means the confidentiality agreement between Sphere and Cathedra dated August 3, 2023;

"**Consideration Securities**" means, collectively, the Consideration Shares, the Replacement Warrants, the Replacement Options and the Replacement RSUs;

"**Consideration Shares**" means the Sphere Common Shares and the Sphere Series I Shares to be issued in exchange for Cathedra Shares and the Accelerated Cathedra RSUs pursuant to the Arrangement;

"**Convention**" has the meaning ascribed thereto under "*Certain Principal Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Taxation of Dividends*";

"Court" means the Supreme Court of British Columbia;

"CRA" means the Canada Revenue Agency;

"Depository" means Computershare Investor Services Inc.;

"Director" means a director of Cathedra;

"Director Nominees" means Tim Hanley, Chairman of the Board, independent director and Sphere nominee; Joel Block, Cathedra nominee; Marcus Dent, independent director and Cathedra nominee; Kurt Kalbfleisch, Sphere nominee; and Nicholas Gates, independent director and mutual nominee, each of whom shall be appointed to the Sphere Board on the Effective Date;

"Dissent Procedures" means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the Act and Article 4 of the Plan of Arrangement;

"Dissent Rights" means the rights of dissent granted in favour of registered holders of Cathedra Shares in accordance with Article 4 of the Plan of Arrangement;

"Dissenting Non-Resident Holder" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders"*;

"Dissenting Resident Holder" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Shareholders"*;

"Dissenting Share" has the meaning ascribed thereto under *"Particulars of Matters to be Acted Upon – The Arrangement – Steps in the Arrangement"*;

"Dissenting Shareholder" means a registered holder of Cathedra Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

"Effective Date" means the date upon which the Arrangement becomes effective in accordance with the Plan of Arrangement and the Final Order, as the board of directors of Cathedra may determine;

"Effective Time" means 12:01 a.m. on the Effective Date or such other time on the Effective Date as agreed to in writing by Cathedra and Sphere;

"Evans & Evans" means Evans & Evans Inc.;

"Exchanged Securities" has the meaning ascribed thereto under *"Particulars of Matters to be Acted Upon – The Arrangement – U.S. Securities Laws and Resale of Securities"*;

"Fairness Opinion" means the fairness opinion delivered by Evans & Evans to the Board, a full copy of which is attached as Appendix "E";

"Final Order" means the final order of the Court approving the Arrangement;

"First Tax Return" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment – Sphere Shares"*;

"Foreign Tax Credit Regulations" has the meaning ascribed thereto under *"Certain U.S. Federal Income Tax Considerations – Foreign Tax Credit"*;

"Holder" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations"*;

"IFRS" means the International Financial Reporting Standards, as issued by the International Accounting Standards Board;

"Information Circular" or **"Circular"** means collectively, the Notice of Meeting and this management information circular, including all appendices, to be sent to Cathedra Securityholders in connection with the Meeting;

"Interim Order" means the interim order of the Court approving the Meeting to approve the Arrangement;

"Intermediary" has the meaning ascribed thereto under *"Non-Registered Holders"*;

"IRS" means the U.S. Internal Revenue Service;

"Key Holders" means Joel Block, Thomas Masiero and Jialin "Gavin" Qu;

"Kungsleden RTO Transaction" means the business combination completed on July 23, 2024 by Cathedra and Kungsleden, Inc., a developer and operator of alternative high-density compute infrastructure pursuant to the terms of a share exchange agreement dated March 6, 2024, as amended on June 18, 2024, pursuant to which Cathedra acquired all of the outstanding shares of Kungsleden, Inc.;

"Management Proxyholders" has the meaning ascribed thereto under *"Appointment of Proxyholder"*;

"Mark-to-Market Election" has the meaning ascribed thereto under *"Certain U.S. Federal Income Tax Considerations – PFIC Considerations Related to Ownership and Disposition of Sphere Shares"*;

"Matching Period" has the meaning ascribed thereto under *"Particulars of Matters to be Acted Upon – The Arrangement – The Arrangement Agreement – Non-Solicitation and Right to Match"*;

"Material Adverse Effect" has the meaning ascribed thereto in the Arrangement Agreement;

"Meeting" means the special meeting of Cathedra Securityholders, including any adjournment or postponement thereof, to be held on May 15, 2026 for the purposes of, among other things, obtaining the Cathedra Securityholder approval of the Arrangement;

"MLI" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Not Resident in Canada - Exchange of Cathedra Shares for Sphere Shares"*;

"MVS Exchange Ratio" means 12.3014:1, representing 12.3014 Sphere Common Shares for each Cathedra MV Share;

"MW" means megawatt;

"NASDAQ" means the Nasdaq Stock Market, LLC;

"NI 54-101" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"NOBO" has the meaning ascribed thereto under *"Non-Registered Holders"*;

"Non-Electing U.S. Holder" has the meaning ascribed thereto under *"Certain U.S. Federal Income Tax Considerations – PFIC Considerations Related to Ownership and Disposition of Sphere Shares – Default PFIC Rules Under Section 1291 of the U.S. Tax Code"*.

"Non-Registered Shareholder" means a Cathedra Shareholder who is not a Registered Cathedra Shareholder;

"Non-Resident Holder" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Not Resident in Canada"*;

"Non-U.S. Holder" has the meaning ascribed thereto under *"Certain U.S. Federal Income Tax Considerations"*;

"Notice of Meeting" means the notice of meeting to be sent to Cathedra Securityholders in connection with the Meeting;

"OBO" has the meaning ascribed thereto under *"Non-Registered Holders"*;

"Ownership Cap" has the meaning ascribed thereto under *"Particulars of Matters to be Acted Upon – The Arrangement – Steps in the Arrangement"*;

"Parties" means Cathedra, Sphere and Amalco Sub, and any other person who becomes a party to the Arrangement Agreement, and **"Party"** means any of them;

"PFIC" means passive foreign investment company;

"PFIC Asset Test" has the meaning ascribed thereto under *"Certain U.S. Federal Income Tax Considerations – PFIC Considerations Related to Ownership and Disposition of Sphere Shares"*;

"PFIC Income Test" has the meaning ascribed thereto under *"Certain U.S. Federal Income Tax Considerations – PFIC Considerations Related to Ownership and Disposition of Sphere Shares"*;

"Plan of Arrangement" means the plan of arrangement attached as Schedule "A" to the Arrangement Agreement and any amendment or variation thereto made in accordance thereof;

"PUC" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Shareholders"*;

"QEF Election" has the meaning ascribed thereto under *"Certain U.S. Federal Income Tax Considerations – PFIC Considerations Related to Ownership and Disposition of Sphere Shares"*;

"RDSP" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment – Sphere Shares"*;

"Record Date" has the meaning ascribed thereto under *"Voting Securities and Principal Holders Thereof"*;

"Registered Cathedra Securityholder" means a registered holder of Cathedra Securities;

"Registered Cathedra Shareholder" means a registered holder of Cathedra Shares;

"Registered Plans" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada - Eligibility for Investment – Sphere Shares"*;

"Regulation S" means Regulation S under the U.S. Securities Act;

"Reorganization" has the meaning ascribed thereto under *"Certain U.S. Federal Income Tax Considerations of the Arrangement for U.S. Holders of Cathedra Shares – Exchange of Cathedra Shares for Sphere Shares"*;

"Replacement Options" means options to acquire Sphere Common Shares that will be granted by Sphere to holders of Cathedra Options pursuant to the Arrangement;

"Replacement RSUs" means restricted share units to acquire Sphere Common Shares that will be granted by Sphere to certain holders of Cathedra RSUs pursuant to the Arrangement;

"Replacement Warrants" means warrants to acquire Sphere Common Shares that will be issued by Sphere to the holders of Cathedra Warrants pursuant to the Arrangement;

"Resident Holder" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada"*;

"RESP" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment – Sphere Shares"*;

"RRIF" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment – Sphere Shares"*;

"RRSP" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment – Sphere Shares"*;

"Rule 144" means Rule 144 under the U.S. Securities Act;

"Section 3(a)(10) Exemption" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act;

"Securities Laws" means all applicable securities laws of Canada and the United States, including the Securities Act (*British Columbia*), the Securities Act (*Ontario*), the U.S. Securities Act and the U.S. Exchange Act, together with all other applicable provincial and state securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time;

"SEDAR+" means the System for Electronic Document Analysis and Retrieval +;

"Share Exchange" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of Cathedra Shares for Sphere Shares"*;

"Sphere" means Sphere 3D Corp., a company existing under the laws of the Province of Ontario;

"Sphere Annual Financial Statements" means the audited consolidated financial statements of Sphere for the years ended December 31, 2025 and 2024, including any notes or schedules thereto and the auditor's report thereon, full copies of which are attached as Appendix "G";

"Sphere Annual MD&A" means management's discussion and analysis of the financial condition and results of operations of Sphere for the years ended December 31, 2025 and 2024, a full copy of which is attached as Appendix "G";

"Sphere Board" means the board of directors of Sphere;

"Sphere Common Shares" means the common shares in the capital of Sphere;

"Sphere Meeting" means the special meeting of the Sphere Shareholders, including any adjournment or adjournments thereof, to be held for the purpose of considering and, if thought fit, approving the Sphere Resolution and for any other purpose as may be set out in a proxy statement to be sent to Sphere Shareholders;

"Sphere Resolution" means the resolutions of Sphere Shareholders approving the issuance of the Consideration Shares;

"Sphere Series H Shares" means the Series H preferred shares in the authorized share capital of Sphere;

"Sphere Series I Shares" means the shares of Sphere to be created pursuant to Section 3.1 of the Plan of Arrangement and to be designated as Series I Preferred Shares;

"Sphere Shareholders" means the holders from time to time of Sphere Common Shares;

"Sphere Shares" means the Sphere Common Shares, Sphere Series H Shares and, once created, the Sphere Series I Shares;

"Sphere Stock Options" has the meaning ascribed thereto under *"Particulars of Matters to be Acted Upon – The Arrangement – Effect of the Arrangement – Cathedra Option Holders, RSU Holders and Warrant Holders"*;

"Subject Securities" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations"*;

"Subsidiary" means, with respect to a specified body corporate, any body corporate, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such body corporate and, for the purpose of this definition, "control" means the direct or indirect possession of the power to direct or cause the direction of the management and policies of another, whether through the ownership of voting securities, by contract or otherwise;

"Subsidiary PFIC" has the meaning ascribed thereto under *"Certain U.S. Federal Income Tax Considerations – PFIC Considerations Related to Ownership and Disposition of Sphere Shares"*;

"SVS Exchange Ratio" means 0.123014:1, representing 0.123014 Sphere Common Shares for each Cathedra SV Share;

"Tax Act" means the *Income Tax Act* (Canada);

"Tax Proposals" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations"*;

"taxable capital gain" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses"*;

"Termination Fee" means US\$500,000;

"TFSA" has the meaning ascribed thereto under *"Certain Principal Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment – Sphere Shares"*;

"Transaction" means the Arrangement, together with all ancillary and related transactions contemplated by the Arrangement Agreement;

"Transaction Expenses" means reasonable, documented, out-of-pocket fees, costs and expenses of outside legal counsel, financial advisors, accountants, transfer agents, proxy solicitors, filing fees and court fees, in each case incurred solely in connection with the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement;

"TSXV" means the TSX Venture Exchange;

"United States" or **"U.S."** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

"U.S. Exchange Act" means the *United States Securities Exchange Act of 1934*, as amended;

"U.S. GAAP" means the generally accepted accounting principles in the United States as issued by the Financial Accounting Standards Board (FASB), as amended from time to time;

"U.S. Holder" has the meaning ascribed thereto under "*Certain U.S. Federal Income Tax Considerations*";

"U.S. Securities Act" means the *United States Securities Act of 1933*, as amended;

"U.S. Tax Code" means the United States *Internal Revenue Code of 1986*, as amended; and

"U.S. Treasury Regulations" means the Treasury Regulations promulgated under the U.S. Tax Code.

SUMMARY OF CIRCULAR

The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Information Circular, including the Appendices which form part of this Information Circular. Capitalized terms used in this Summary are defined in the Glossary of Terms immediately preceding this summary.

The Meeting

The Meeting will be held in Vancouver, British Columbia, at 170-422 Richards Street, Vancouver, British Columbia, V6B 2Z4 on May 15, 2026, at 9:00 a.m. (Vancouver time) for the purposes set forth in the Notice of Meeting. At the Meeting, Cathedra Securityholders will consider and vote upon the Arrangement under section 288 of the Act involving Cathedra, its securityholders and Sphere pursuant to the Arrangement Resolution. See "*Particulars of Matters to be Acted Upon*".

The Arrangement

On March 5, 2026, Cathedra and Sphere entered into the Arrangement Agreement pursuant to which, among other things, Sphere agreed to acquire all of the issued and outstanding Cathedra Shares by way of a court-approved plan of arrangement under the BCBCA. The Arrangement will be structured as a three-cornered amalgamation in which Cathedra will amalgamate with a wholly-owned subsidiary of Sphere formed solely for the purpose of facilitating the Arrangement, with the resulting issuer continuing as a wholly-owned subsidiary of Sphere and carrying on the combined businesses of Sphere and Cathedra. As described more particularly below under the heading "*Steps in the Arrangement*," pursuant to the terms of the Arrangement Agreement, Cathedra Shareholders will receive Sphere Common Shares and, in certain cases, Sphere Series I Shares in exchange for their Cathedra Shares in accordance with the applicable exchange ratios set out in the Plan of Arrangement. The Combined Company is expected to retain Sphere's name and listing on the NASDAQ Capital Market under the symbol "ANY".

Fairness Opinion

Based upon and subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, Evans & Evans is of the opinion that, as of March 5, 2026, the Arrangement is fair, from a financial point of view, to the Cathedra Shareholders.

The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Appendix "E". The summary of the Fairness Opinion in this Information Circular is qualified in its entirety by reference to the full text of the Fairness Opinion.

Steps in the Arrangement

Under the Plan of Arrangement, commencing at the Effective Time and provided that the terms and conditions of the Arrangement Agreement have been met or waived, the following events or transactions will occur sequentially and will be deemed to occur without any further act or formality required on the part of any person:

- (a) prior to the Effective Time, Sphere shall have filed articles of amendment to create the Sphere Series I Shares and to provide for the special rights and restrictions attaching to the Sphere Series I Shares;
- (b) at the Effective Time, each Cathedra Share held by a Dissenting Shareholder who is ultimately determined to be entitled to be paid the fair value of the Cathedra Shares in respect of which such Dissenting Shareholder has exercised Dissent Rights will be transferred by the holder thereof to Cathedra (free and clear of all encumbrances) and such Dissenting Shareholder will cease to be the holder thereof and the name of each Dissenting Shareholder will be removed from the register of the Cathedra Shares and such Dissenting Shares will be automatically cancelled;

- (c) immediately after the step above, Cathedra and Amalco Sub (a wholly-owned subsidiary of Sphere formed for the purpose of effecting the Arrangement) will amalgamate (the "**Amalgamation**") pursuant to the provisions of Division 3 of Part 9 of the Act and their continuation as one corporation ("**Amalco**") will become irrevocable, which corporation will be a wholly-owned subsidiary of Sphere;
- (d) at the same time as the Amalgamation, each registered holder of Cathedra SV Shares (other than Dissenting Shareholders) will receive that number of fully paid and non-assessable Sphere Common Shares equal to the product determined by multiplying the number of Cathedra SV Shares held by such holder by the SVS Exchange Ratio (being 0.123014 Sphere Common Shares for each Cathedra SV Share);
- (e) at the same time as the Amalgamation, each registered holder of Cathedra MV Shares (other than Dissenting Shareholders) will receive that number of fully paid and non-assessable Sphere Common Shares equal to the product determined by multiplying the number of Cathedra MV Shares held by such holder by the MVS Exchange Ratio (being 12.3014 Sphere Common Shares for each Cathedra MV Share);
- (f) notwithstanding the foregoing, to the extent that the aggregate number of Sphere Common Shares that would otherwise be issuable to any Key Holder would result in such Key Holder beneficially owning more than 7% of the then-outstanding Sphere Common Shares calculated on a non-diluted basis (the "**Ownership Cap**"), such Key Holder shall instead receive, in lieu of the number of Sphere Common Shares in excess of the Ownership Cap, an equivalent number of Sphere Series I Shares;
- (g) at the same time as the Amalgamation, each Cathedra Warrant outstanding immediately prior to the Effective Time shall be exchanged for a Replacement Warrant to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of the number of Cathedra SV Shares issuable upon the exercise of such Cathedra Warrant multiplied by the SVS Exchange Ratio, with the exercise price per Sphere Common Share adjusted accordingly;
- (h) at the same time as the Amalgamation, each Cathedra Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for a Replacement Option under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of the number of Cathedra SV Shares subject to such Cathedra Option multiplied by the SVS Exchange Ratio, with the exercise price per Sphere Common Share adjusted accordingly;
- (i) at the same time as the Amalgamation, each Cathedra RSU (other than Accelerated Cathedra RSUs) outstanding immediately prior to the Effective Time held by Joel Block shall be exchanged for a Replacement RSU under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of the number of Cathedra SV Shares subject to such Cathedra RSU multiplied by the SVS Exchange Ratio; and
- (j) all Accelerated Cathedra RSUs outstanding immediately prior to the Effective Time shall fully vest immediately prior to the Effective Time and each holder of an Accelerated Cathedra RSU shall receive that number (rounded down to the nearest whole number) of fully paid and non-assessable Sphere Common Shares equal to the product of the number of Cathedra SV Shares subject to such Accelerated Cathedra RSU multiplied by the SVS Exchange Ratio.

See "*Particulars of Matters to be Acted Upon – The Arrangement – Steps in the Arrangement*".

Recommendation of the Board

The Board, having reviewed the Plan of Arrangement and related transactions and considered, among other things, the reasons for the Arrangement, has unanimously determined that the Arrangement is in the best interests of

Cathedra and the Cathedra Securityholders. The Board recommends that Cathedra Securityholders vote FOR the Arrangement Resolution.

See further details under the section entitled *"Particulars of Matters to be Acted Upon – The Arrangement – Recommendation of the Board"*.

Conditions to the Arrangement

Completion of the Arrangement is subject to a number of specified mutual conditions being met as of the Effective Time, including, but not limited to:

- (a) the receipt of the Interim Order and Final Order of the Supreme Court of British Columbia in forms acceptable to Cathedra and Sphere, each acting reasonably;
- (b) approval of the Arrangement by Cathedra Securityholders and approval of the issuance of the Consideration Shares by Sphere Shareholders;
- (c) the absence of any law, order or injunction prohibiting or restraining the completion of the Arrangement;
- (d) the receipt of all required governmental, regulatory and third party approvals, consents and waivers on terms acceptable to the parties, including acceptance by the TSXV of notice of the Arrangement and no objection from NASDAQ to the listing of the Sphere Common Shares to be issued in connection with the Arrangement;
- (e) the distribution of the Consideration Securities being exempt from applicable Canadian and United States securities law registration requirements and, subject to applicable restrictions for control persons or affiliates, not being subject to resale restrictions;
- (f) the Arrangement Agreement not having been terminated; and
- (g) the execution of certain ancillary agreements, including employment and consulting arrangements and a non-competition agreement with certain key individuals, each on terms acceptable to the applicable parties,

which conditions may be mutually waived by Cathedra and Sphere in whole or in part at any time.

In addition to the mutual conditions described above, the completion of the Arrangement is subject to certain additional conditions in favour of each of Sphere and Cathedra.

Sphere's obligation to complete the Arrangement is subject to, among other things: (i) the accuracy of Cathedra's representations and warranties and the performance of its covenants in all material respects; (ii) no Material Adverse Effect (as defined in the Arrangement Agreement) having occurred with respect to Cathedra; (iii) receipt of customary officer's certificates, resignations and releases from certain Cathedra directors and officers; (iv) the level of dissent by Cathedra Shareholders not exceeding a 5% threshold; and (v) the delivery of voting support agreements by certain principal shareholders of Cathedra.

Cathedra's obligation to complete the Arrangement is subject to, among other things: (i) the accuracy of Sphere's representations and warranties and the performance of its covenants in all material respects; (ii) no Material Adverse Effect having occurred with respect to Sphere; (iii) the creation and issuance of the Consideration Securities and replacement equity awards to be issued under the Arrangement; (iv) compliance with applicable NASDAQ listing requirements in respect of the securities to be issued; and (v) the implementation of certain governance and management changes, including board reconstitution and the appointment of Joel Block as Chief Executive Officer.

Each of the foregoing conditions is for the exclusive benefit of the applicable party and may be waived by such party, in whole or in part, at any time. See further details under *"Particulars of Matters to be Acted Upon – The Arrangement – The Arrangement Agreement – Conditions to the Arrangement"*.

Court Approval

An arrangement under the Act requires approval of the Court. Prior to mailing this Information Circular, Cathedra obtained the Interim Order, which provides for the calling and holding of the Meeting, Dissent Rights and certain other procedural matters. A copy of the Interim Order is attached as Appendix "C".

Subject to the approval of the Arrangement Resolution by Cathedra Securityholders at the Meeting, the hearing for the Final Order is currently scheduled to take place on May 20, 2026 at 9:45 a.m. (Vancouver time) in Vancouver, British Columbia. At the hearing, any Cathedra Securityholder who wishes to participate or be represented or present arguments or evidence may do so by serving a response to petition in compliance with the Interim Order.

See further details under *"Particulars of Matters to be Acted Upon – The Arrangement – Court Approval of the Arrangement"*.

Regulatory Approvals

The Cathedra SV Shares are listed and posted for trading on the TSXV. The Sphere Common Shares are listed and posted for trading on the NASDAQ Capital Market. **The Arrangement is subject to the acceptance of the TSXV and NASDAQ not objecting to the issuance of the Consideration Shares. Cathedra will not proceed with the Arrangement if regulatory acceptance or approval is not obtained.**

Parties to the Arrangement

Information Concerning Cathedra

Cathedra was incorporated under the *Business Corporations Act* (Ontario) on July 13, 2011, and was subsequently continued under the laws of the Province of British Columbia in 2018. Cathedra has undergone several name changes, adopting its current name, "Cathedra Bitcoin Inc.," on December 8, 2021. Its registered and records office is located at 170–422 Richards Street, Vancouver, British Columbia, Canada, V6B 2Z4. Cathedra is headquartered in Vancouver, British Columbia, and its shares trade on the TSXV under the symbol CBIT and on the OTCQB Venture Market under the symbol CBTTF.

Cathedra is a data center developer, owner and operator focused on high density compute infrastructure. Cathedra's principal business includes cryptocurrency mining and the operation of data center facilities designed to support compute-intensive applications, including bitcoin mining and potentially artificial intelligence and related workloads. Cathedra's strategy is to develop, acquire and operate a diversified power portfolio of power and infrastructure sites across North America. Cathedra seeks to build a leading technology-driven digital infrastructure platform anchored in low-cost energy, industrial scale operating efficiency and disciplined capital allocation. Cathedra also operates a fleet of proprietary bitcoin mining machines at its own and third-party data centers, producing approximately 400 petahash per second of hashrate as of the date hereof.

Following completion of the Arrangement, Cathedra will amalgamate with Amalco Sub to form Amalco, which will be a wholly-owned subsidiary of Sphere.

For further information on Cathedra, see disclosure under the heading *"Information Concerning Cathedra"* in this Information Circular.

Information Concerning Sphere

Sphere was incorporated on May 2, 2007 pursuant to the provisions of the *Business Corporations Act* (Ontario) under the name "T.B. Mining Ventures Inc.". On December 20, 2012, Sphere amended its name from "T.B. Mining Ventures Inc." to "Sphere 3D Corporation". On March 24, 2015, the corporation amalgamated with 2458417 Ontario Inc., and continued as "Sphere 3D Inc." On March 24, 2015, Sphere completed a short-form amalgamation with a wholly-owned subsidiary and changed its name to "Sphere 3D Corp."

Sphere is a bitcoin miner, growing its digital asset mining operation through the capital-efficient procurement of next-generation mining equipment and partnering with data center operators. The Sphere Shares are listed on NASDAQ under the symbol "ANY".

For a detailed description of Sphere prior to the completion of the Arrangement, see Appendix "F" - *Information Concerning Sphere*.

Information Concerning the Combined Company

Upon completion of the Arrangement, Cathedra Securityholders will hold securities of Sphere and the business of the Combined Company will be that of Sphere and Cathedra. The Combined Company will position itself as a next-generation provider of high-density computing power infrastructure. Its core operations will center on high-performance compute (with potential expansion into AI and HPC services), digital assets (primarily bitcoin mining), energy optimization, and the development of power and related infrastructure. Operationally, the merged entity will manage approximately 53 MW of bitcoin mining sites across data centers in Tennessee, Kentucky, and Iowa. It plans to pursue significant growth by scaling capacity by an additional ~100 MW and diversifying beyond bitcoin mining into broader high-density computing applications.

For a detailed description of the Combined Company upon completion of the Arrangement, see Appendix "H" – *Information Concerning the Combined Company*.

For unaudited pro forma consolidated financial statements of the Combined Company, see Appendix "I" – *Unaudited Pro Forma Financial Statements of the Combined Company*.

Canadian Securities Laws and Resale of Securities

Sphere will be a reporting issuer in British Columbia, Alberta and Ontario on completion of the Arrangement, in addition to continuing to maintain its existing SEC registration in the United States.

The issuance of the Sphere Shares to the Cathedra Shareholders, Replacement Options to Cathedra Option holders, Replacement Warrants to Cathedra Warrant holders and Replacement RSUs to Cathedra RSU holders pursuant to the Arrangement will constitute a distribution of securities which is exempt from the registration and prospectus requirements of Canadian securities legislation. The Sphere Shares received by Cathedra Shareholders pursuant to the Arrangement may be resold in each of the provinces and territories of Canada provided that (i) the trade is not a "control distribution" as defined in National Instrument 45-102 - *Resale of Securities*; (ii) no unusual effort is made to prepare the market or create a demand for those securities; (iii) no extraordinary commission or consideration is paid in respect of that sale; and (iv) if the selling securityholder is an insider or officer of Sphere, the selling securityholder has no reasonable grounds to believe that Sphere is in default of securities legislation.

See further details under "*Particulars of Matters to be Acted Upon – The Arrangement – Canadian Securities Laws and Resale of Securities*".

U.S. Securities Laws and Resale of Securities

None of the Exchanged Securities to be received by Cathedra Securityholders pursuant to the Arrangement have been or will be registered under the U.S. Securities Act or applicable state securities laws, and are being issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof on the basis of the approval of the Court, and similar exemptions from registration under applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to those to whom the securities will be issued, at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on April 1, 2026 and, subject to the approval of the Arrangement by the Cathedra Securityholders, a hearing on the Arrangement will be held on May 20, 2026 at 9:45 a.m. (Vancouver time). All securityholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and comparable state securities laws with respect to the Exchanged Securities. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order.

The Sphere Common Shares will be freely tradable under U.S. federal securities laws, except by persons who are "affiliates" of Sphere within 90 days prior to completion of the Arrangement or "affiliates" of Sphere following completion of the Arrangement. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

See further details under *"Particulars of Matters to be Acted Upon – The Arrangement – U.S. Securities Laws and Resale of Securities"*.

Significant Positions and Shareholdings

In considering the recommendation of the Board with respect to the Arrangement, Cathedra Securityholders should be aware that certain members of Cathedra's senior management and the Board have certain interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement.

See further details under *"Particulars of Matters to be Acted Upon – The Arrangement – Significant Positions and Shareholdings"*.

Risk Factors

Cathedra Securityholders should be aware that there are various known and unknown risk factors in connection with the Arrangement and the ownership of Sphere Shares following the completion of the Arrangement. Cathedra Securityholders should carefully consider the risks identified in this Information Circular under the headings *"Particulars of Matters to be Acted Upon – The Arrangement – Arrangement Risk Factors"*, Appendix "F" – *"Information Concerning Sphere – Risk Factors"* and Appendix "H" – *"Information Concerning The Combined Company – Risk Factors"* before deciding whether or not to approve the Arrangement Resolution.

Dissent Rights

Registered Cathedra Shareholders are entitled to exercise Dissent Rights by providing written notice to the Company no later than 5:00 p.m. (Vancouver time) on May 13, 2026 or two Business Days immediately preceding any date to which the Meeting may be postponed or adjourned in the manner described under the heading *"Dissent Rights"*. If

a Cathedra Shareholder exercises Dissent Rights in strict compliance with the Dissent Procedures (attached as Appendix "J") and the Interim Order and the Arrangement is completed, such Dissenting Shareholder is entitled to be paid the fair value of the Cathedra Shares with respect to which the Dissent Rights were exercised, calculated as of the close of business the day before the approval of the Arrangement Resolution. Cathedra Shareholders should carefully read the section of this Information Circular entitled "*Dissent Rights*" and consult with their advisors if they wish to exercise Dissent Rights.

Certain Canadian Income Tax Considerations

A summary of certain Canadian federal income tax considerations for Cathedra Shareholders who participate in the Arrangement is set out under the heading "*Certain Principal Canadian Federal Income Tax Considerations*".

Cathedra Securityholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

Financial Statements of Cathedra and Sphere

The audited consolidated financial statements of Cathedra for the years ended December 31, 2025 and 2024 are available on Cathedra's SEDAR+ profile at www.sedarplus.ca.

The audited consolidated financial statements of Sphere for the years ended December 31, 2025 and 2024 and the pro forma financial statements of the Combined Company are set forth in Appendices "G" and "I", respectively.



CATHEDRA BITCOIN INC.
422 Richards Street, Unit 170
Vancouver, BC V6B 2Z4

INFORMATION CIRCULAR

CATHEDRA BITCOIN INC. (the "**Company**") is providing this Information Circular (the "**Information Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the Special Meeting (the "**Meeting**") of securityholders of the Company (the "**Cathedral Securityholders**") to be held at 170-422 Richards Street, Vancouver, British Columbia, V6B 2Z4, at 9:00 a.m. (Vancouver Time) on May 15, 2026 and at any adjournment(s) or postponement(s) thereof. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

The historical financial statements of Sphere and the unaudited pro forma consolidated financial statements of the Combined Company contained in this Information Circular are reported in United States dollars and have been prepared in accordance with U.S. GAAP. The historical financial statements of Cathedral contained in this Information Circular are reported in Canadian dollars and have been prepared in accordance with IFRS. All other references to dollar amounts in this Information Circular are to Canadian dollars unless stated otherwise or the context otherwise requires.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a Cathedral Securityholder's behalf in accordance with the instructions given by the Cathedral Securityholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

A Cathedral Securityholder has the right to appoint a person other than a Management Proxyholder to represent the Cathedral Securityholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Cathedral Securityholder.

VOTING BY PROXY

Only Registered Cathedral Securityholders or duly appointed proxyholders are permitted to vote at the Meeting. Cathedral Securities represented by a properly executed proxy will be voted for or against or withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Cathedral Securityholder on any ballot that may be called for and if the Cathedral Securityholder specifies a choice with respect to any matter to be acted upon, the Cathedral Securities will be voted accordingly.

If a Cathedral Securityholder does not specify a choice and the Cathedral Securityholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. As at the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

A proxy will not be valid unless the completed, dated and signed proxy is received by Computershare Investor Services Inc., Proxy Department at 14th Floor, 320 Bay Street, Toronto, Ontario, M5H 4A6 by 9:00 a.m. (Vancouver time) on May 13, 2026, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed. Telephone voting can be completed at 1-866-732-8683, and Internet voting can be completed at www.investorvote.com.

Late proxies may be accepted or rejected by the Chairman of the Meeting at their discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

REVOCABILITY OF PROXY

A Cathedra Securityholder who has given a proxy may revoke it by an instrument in writing executed by the Cathedra Securityholder or by the Cathedra Securityholder's attorney authorized in writing or, if the Cathedra Securityholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Company, at 170-422 Richards Street, Vancouver, British Columbia, V6B 2Z4, Canada at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

If you are a Non-Registered Shareholder (as defined below), please follow the instructions from your bank, broker or other financial intermediary for instructions on how to revoke your voting instructions.

NON-REGISTERED HOLDERS

Only Registered Cathedra Securityholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Registered Cathedra Securityholders are holders of Cathedra Securities whose names appear on the register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased such Cathedra Securities. Whether or not you are able to attend the Meeting, Cathedra Securityholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Cathedra Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Cathedra Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIAs, RESPs and similar plans), or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Intermediaries are required to forward the Meeting materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward

the Meeting materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow, or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it in accordance with the instructions under "Completion and Return of Proxy" above.**

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of their Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert their own name or such other person's name in the blank space provided. **Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

In accordance with applicable Securities Laws requirements, the Company has elected to send the Meeting materials to NOBOs. If you are a NOBO, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary on your behalf. The Company does not intend to pay for Intermediaries to forward the Meeting materials, including proxies or voting information forms, to OBOs and therefore an OBO will not receive the materials with respect to the Meeting unless that OBO's Intermediary assumes the cost of delivery.

NOTICE AND ACCESS

The Company has elected to use the notice-and-access process ("**Notice-and-Access**") that came into effect on February 11, 2013, under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 – Continuous Disclosure Obligations for distribution of this Information Circular and other meeting materials to Registered Cathedra Securityholders and Non-Registered Shareholders.

Notice-and-Access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR+ and one other website, rather than mailing paper copies of such meeting materials to Cathedra Securityholders. The Company anticipates that utilizing the Notice-and-Access process will substantially reduce both postage and printing costs.

Meeting materials including this Information Circular are available on the Company's website at <http://www.cathedra.com/investors/circular> and on the Company's SEDAR+ profile at www.sedarplus.ca.

Although the Information Circular and related materials will be posted electronically online, as noted above, the Registered Cathedra Securityholders and Non-Registered Shareholders will receive a “notice package” by prepaid mail, which includes the information prescribed by NI 54-101, and a proxy form or voting instruction form from their respective intermediaries. Cathedra Securityholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Cathedra Securityholders are reminded to review this Information Circular before voting. Management of the Company does not intend to pay for intermediaries to forward the Notice-and-Access Notification to OBOs under NI 54-101.

LETTER OF TRANSMITTAL

If you are a Registered Cathedra Shareholder, you are encouraged to complete and return the enclosed Letter of Transmittal together with the certificate(s) representing your shares and any other required documents and instruments, to the Depository, Computershare Investor Services Inc. (at its principal offices in Toronto), in accordance with the instructions set out in the Letter of Transmittal so that if the Arrangement is approved, the consideration for your shares can be sent to you as soon as possible following the Arrangement becoming effective. The Letter of Transmittal contains other procedural information related to the Arrangement and should be reviewed carefully.

If you hold your shares through a broker or other person, please contact that broker or other person for instructions and assistance in receiving Sphere Shares in exchange for your shares upon completion of the Arrangement.

This Information Circular contains a detailed description of the Arrangement and includes certain other information to assist you in considering the matters to be voted upon. You are urged to carefully consider all of the information in the accompanying Circular including the documents incorporated by reference therein. If you require assistance, you should consult your financial, legal, or other professional advisors.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has two classes of shares outstanding, being the Cathedra SV Shares and the Cathedra MV Shares of the Company. The Company is authorized to issue an unlimited number of Cathedra SV Shares and an unlimited number of Cathedra MV Shares, each without par value, of which 8,536,902 Cathedra SV Shares and 208,446 Cathedra MV Shares were issued and outstanding as at March 25, 2026 (the “**Record Date**”). The Cathedra SV Shares represent 21.23% of the aggregate voting rights of the issued and outstanding Cathedra Shares and the Cathedra MV Shares represent the remaining balance of the voting rights. Persons who are Registered Cathedra Securityholders at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting. Registered Cathedra Shareholders will be entitled to one vote for each Cathedra SV Share held and 152 votes for each Cathedra MV Share held. The other Registered Cathedra Securityholders will be entitled to one vote per Cathedra Security held.

Under the Company's articles, the quorum for the transaction of business at the Meeting is two Cathedra Shareholders entitled to vote at the Meeting, present in person or represented by proxy.

Other than as disclosed below, to the knowledge of the Directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to all shares of the Company.

To the knowledge of the directors and executive officers of the Company, the following persons beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the voting securities of the Company:

Name and Municipality of Residence	Number of Shares Owned⁽¹⁾	Percentage of Shares Owned
Togetsu Trust ⁽²⁾ New York, USA	10,942,912 ⁽³⁾	36.15% ⁽³⁾
Thy Kingdom Trust ⁽⁴⁾ Tennessee, USA	10,482,147 ⁽⁵⁾	34.63% ⁽⁵⁾

Notes:

- (1) Assuming the conversion of the Cathedra MV Shares into Cathedra SV Shares.
- (2) Jialin (Gavin) Qu, a director of the Company, is a trustee of Togetsu Trust and Poimen Trust.
- (3) Togetsu Trust holds 10,471,015 Shares (on an as-converted to Cathedra SV Shares basis), representing 35.64% of the issued and outstanding Shares, on a fully diluted basis (assuming the conversion of the Cathedra MV Shares into Cathedra SV Shares). This figure is presented on a partially diluted basis and includes: (i) 45,231 Cathedra RSUs and 250,000 Cathedra Options as well as an additional 26,666 Cathedra SV Shares which are held by Jialin (Gavin) Qu in his personal capacity; and (ii) 150,000 Cathedra RSUs held by Poimen Trust.
- (4) Thomas Masiero, a director of the Company, is a trustee of Thy Kingdom Trust and Kingdom First Trust. Adam Brink is also a trustee of Thy Kingdom Trust and Kingdom First Trust.
- (5) Thy Kingdom Trust and Kingdom First Trust collectively hold an aggregate of 10,036,039 Shares (on an as-converted to Cathedra SV Share basis), representing 34.15% of the issued and outstanding Shares, on a fully-diluted basis (assuming the conversion of the Cathedra MV Shares into Cathedra SV Shares). This figure is presented on a partially diluted basis and includes 37,692 Cathedra RSUs, 252,961 Cathedra Options and an additional 5,455 Cathedra SV Shares which are held by Thomas Masiero in his personal capacity.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year, and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting.

Pursuant to the terms of an employment agreement dated as of September 25, 2025, as amended, between Cathedra and Joel Block (the Chief Executive Officer and Chairman of the Board of Cathedra), Mr. Block is entitled to receive a bonus of US\$1,600,000 upon the consummation of the Arrangement and the achievement of certain performance milestones of the Combined Company. This bonus shall not be paid until the completion of such performance milestones even if the Arrangement is consummated. As Mr. Block does not own any Cathedra Shares, this payment does not constitute a collateral benefit.

In addition, the completion of the Arrangement would constitute a "Triggering Event" under the Cathedra LTIP. Under the terms of the Cathedra LTIP, a Triggering Event permits, but does not require, the Board to approve the acceleration of vesting of outstanding options held by participants thereunder; however, it is not expected that the Board will exercise such discretion. Instead, holders of Cathedra Options will receive Replacement Options in respect of their Cathedra Options, adjusted based on the SVS Exchange Ratio but otherwise on substantially the same terms and conditions. In addition, pursuant to the terms of the Cathedra LTIP, all outstanding Cathedra RSUs, other than 1,447,584 RSUs held by Joel Block, will vest in full upon completion of the Arrangement, and the holders thereof will receive Sphere Common Shares based on the SVS Exchange Ratio. The Cathedra RSUs held by Mr. Block will be exchanged for Replacement RSUs based on the SVS Exchange Ratio and otherwise on the same material economic and vesting terms. Such Replacement RSUs will be governed by the Sphere equity plan.

All other benefits received, or to be received, by the Directors and senior management of the Company as a result of the Arrangement are, and will be, solely in connection with their services as directors and officers of the Company.

No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for the Cathedra Shares held by such person and no benefit is, or will be, conditional on any person supporting the Arrangement.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, no informed person (as defined in National Instrument 51-102 – *Continuous Disclosure*) or proposed Director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

PARTICULARS OF MATTERS TO BE ACTED UPON

The Arrangement

At the Meeting, Cathedra Securityholders will be asked to consider and, if thought advisable, to pass, the Arrangement Resolution to approve the Arrangement under the BCBCA. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement and the Plan of Arrangement, which are attached to this Information Circular as Appendix "B".

In order to implement the Arrangement, the Arrangement Resolution must be approved by at least:

- (a) 66⅔% of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares and the holders of Cathedra MV Shares present in person or by proxy at the Meeting voting together as a single class, with each Cathedra SV Share entitling the holder thereof to one vote per Cathedra SV Share and each Cathedra MV Share entitling the holder thereof to 152 votes per Cathedra MV Share; and
- (b) 66⅔% of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares, holders of Cathedra MV Shares, Cathedra Option holders, Cathedra Warrant holders and Cathedra RSU holders, present in person or by proxy at the Meeting voting together as a single class.

A copy of the Arrangement Resolution is set out in Appendix "A" of this Information Circular.

Unless otherwise directed, it is management's intention to vote FOR the Arrangement Resolution. If you do not specify how you want your Cathedra Shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting FOR the Arrangement Resolution.

If the Arrangement is approved at the Meeting, the Final Order approving the Arrangement is issued by the Court and the applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect at the Effective Time.

Background to the Arrangement

The entering into of the Arrangement Agreement was the result of arm's length negotiations conducted among representatives of Cathedra, Sphere, and their respective financial and legal advisors. The following is a summary of the material events, meetings, negotiations and discussions between the Parties that preceded the public announcement of the execution of the Arrangement Agreement on March 5, 2026.

Sphere and Cathedra have each operated within the digital asset infrastructure sector for several years and, prior to the events described below, were familiar with one another through industry interactions and prior strategic discussions.

Cathedra is a company that develops and operates power and digital infrastructure assets across North America and hosts bitcoin mining clients across its portfolio of data centers in Tennessee and Kentucky, totalling 45 MWs of capacity. In late October 2025, the Company completed construction of a new 15-MW data center in Kentucky, increasing its power capacity by 50%. Cathedra also operates a fleet of proprietary bitcoin mining machines at its own and third-party data centers, producing approximately 400 PH/s of hashrate.

Sphere is a company existing under the laws of the Province of Ontario whose common shares are listed and posted for trading on the NASDAQ Capital Market. Sphere's authorized capital consists of an unlimited number of common shares and various series of preferred shares.

On August 3, 2023, Cathedra and Sphere entered into a confidentiality agreement in connection with preliminary discussions regarding a potential business combination (the “**Confidentiality Agreement**”).

During the first half of 2025, Sphere and Cathedra engaged in preliminary discussions regarding a potential business combination. Following evaluation of such opportunity, the Parties ultimately determined not to pursue a transaction at that time and ceased discussions.

Following the appointment of new leadership at Cathedra, the Parties re-engaged and began exploring potential areas of operational collaboration, particularly with respect to hosting arrangements. These discussions progressed during the second half of 2025 and ultimately resulted in the execution of a hosting agreement in the fourth quarter of 2025.

Beginning in mid-November 2025, Sphere and Cathedra commenced more substantive discussions regarding a potential strategic transaction. These discussions were focused on evaluating potential structures that could enhance operational scale, improve capital efficiency, and better position the combined organization within the evolving digital asset ecosystem.

In January 2026, following a joint kickoff call that included representatives from management, legal counsel, and financial advisors of both companies, Sphere and Cathedra granted each other access to confidential information via virtual data rooms to facilitate mutual due diligence.

On January 7, 2026, Sphere and Cathedra entered into a non-binding letter of intent (the “**LOI**”) outlining the principal terms of a potential business combination.

Following execution of the LOI, the Parties engaged in extensive due diligence and transaction structuring. During this period, the Parties and their respective advisors held numerous meetings and discussions, including sessions involving senior management, legal counsel, financial advisors, and independent financial advisors engaged to provide fairness opinions. These discussions addressed, among other matters, transaction structure, valuation, governance, financing considerations, and potential risks associated with the proposed transaction.

From January 20, 2026 to March 5, 2026, Cathedra and Sphere exchanged various drafts of the Arrangement Agreement and ancillary documents, and the respective legal and financial advisors of Cathedra and Sphere proceeded to finalize the Arrangement Agreement and ancillary documents.

On February 24, 2026, the Board met to receive an oral version of the Fairness Opinion. Evans & Evans stated that, subject to the assumptions, limitations and qualifications stated in their presentation, Evans & Evans is of the opinion that, as of February 24, 2026, the Consideration Shares to be received by the Cathedra Shareholders pursuant to the Arrangement are fair, from a financial point of view, to the Cathedra Shareholders. Subsequent to the oral version of the Fairness Opinion, the Fairness Opinion was finalized on March 5, 2026, where Evans & Evans stated that, subject to the assumptions, limitations and qualifications stated in their presentation, Evans & Evans is of the opinion that, as of March 5, 2026, the Consideration Shares to be received by the Cathedra Shareholders pursuant to the Arrangement are fair, from a financial point of view, to the Cathedra Shareholders.

After careful consideration, including consultation with financial and legal advisors, consideration of the Fairness Opinion and its own deliberations, the Board unanimously determined that the Arrangement is in the best interests of Cathedra and is fair to Cathedra Securityholders, and to recommend to the Cathedra Securityholders that they vote in favour of the Arrangement. The Board approved the Transaction on February 24, 2026.

Following multiple meetings and consideration of the proposed Transaction, including input from management and advisors, the Sphere Board approved the Transaction on March 5, 2026.

On March 5, 2026, after extensive negotiations and due diligence, Cathedra, Sphere and Amalco Sub entered into the Arrangement Agreement, pursuant to which Sphere agreed to acquire all of the issued and outstanding Cathedra Shares by way of a plan of arrangement under section 288 of the BCBCA. The Arrangement Agreement was announced following the closing of the markets on March 5, 2026. See below under the heading "*Particulars of Matters to be Acted Upon – The Arrangement – The Arrangement Agreement*".

In connection with the Arrangement Agreement, each of the directors and senior officers of Cathedra entered into voting support agreements in favour of Sphere, pursuant to which they agreed to vote any securities of Cathedra over which they exercise control or direction in favour of the Arrangement Resolution.

Each of the directors and senior officers of Sphere entered into voting support agreements in favour of Cathedra, pursuant to which they agreed to vote any securities of Sphere over which they exercise control or direction in favour of the Sphere Resolution.

Pursuant to the terms of the Arrangement Agreement, on the Effective Date, Cathedra and Amalco Sub will amalgamate to form Amalco, which will be a wholly-owned subsidiary of Sphere. Cathedra Shareholders will receive Sphere Common Shares and, in certain cases, Sphere Series I Shares in exchange for their Cathedra Shares in accordance with the applicable exchange ratios set out in the Plan of Arrangement. The exchange ratios under the Arrangement are as follows: (i) holders of Cathedra SV Shares will receive 0.123014 Sphere Common Shares for each Cathedra SV Share held being the SVS Exchange Ratio; and (ii) holders of Cathedra MV Shares will receive 12.3014 Sphere Common Shares for each Cathedra MV Share held being the MVS Exchange Ratio. To the extent that any Key Holder would, following the Arrangement, beneficially own more than the Ownership Cap, such Key Holder will instead receive Sphere Series I Shares in lieu of Sphere Common Shares in excess of the Ownership Cap. The SVS Exchange Ratio and the MVS Exchange Ratio are subject to adjustment in certain circumstances, including where, on or after the date of the Arrangement Agreement and prior to the Effective Time, Sphere issues (i) restricted share units or Sphere Stock Options or (ii) Sphere Common Shares pursuant to its ATM Agreement for aggregate net proceeds in excess of US\$1,000,000, in each case to reflect the additional Sphere Common Shares issuable in connection therewith, such that, as nearly as practicable, the relative economic value and proportionate ownership of the Cathedra Shareholders immediately prior to such issuance is preserved.

Upon completion of the Arrangement, the board of directors of Sphere is expected to be comprised of five members: Tim Hanley (Chairman of the Board, independent director), Joel Block, Marcus Dent (independent director), Kurt Kalbfleisch and Nicholas Gates (independent director). Joel Block is expected to be appointed as Chief Executive Officer of Sphere effective as of the Effective Time.

Arrangement

At the Meeting, Cathedra Securityholders will be asked to consider and, if thought advisable, to pass, the Arrangement Resolution to approve the Arrangement under the BCBCA pursuant to the terms of the Arrangement Agreement and the Plan of Arrangement. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement and the Plan of Arrangement, which have been filed by Cathedra under its profile on SEDAR+ at www.sedarplus.ca, and which are attached to this Information Circular as Appendix "B".

In order to implement the Arrangement, the Arrangement Resolution must be approved by at least: (a) 66⅔% of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares and the holders of Cathedra MV Shares present in person or by proxy at the Meeting voting together as a single class, with each Cathedra SV Share entitling the holder thereof to one vote per Cathedra SV Share and each Cathedra MV Share entitling the holder thereof to 152 votes per Cathedra MV Share; and (b) 66⅔% of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares, holders of Cathedra MV Shares, Cathedra Option holders, Cathedra Warrant holders and Cathedra RSU holders, present in person or by proxy at the Meeting voting together as a single class. A copy of the Arrangement Resolution is set out in Appendix "A" of this Information Circular.

Unless otherwise directed, it is management's intention to vote **FOR** the Arrangement Resolution. If you do not specify how you want your Cathedra Securities voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting **FOR** the Arrangement Resolution.

If the Arrangement is approved at the Meeting, the Final Order approving the Arrangement is issued by the Court and the applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at the Effective Time (which will be at 12:01 a.m. (Vancouver time)) on the Effective Date.

Fairness Opinion

The Board engaged Evans & Evans to provide the Fairness Opinion. In connection with Evans & Evans' engagement, Evans & Evans was requested to provide the Board with an opinion as to the fairness to the Cathedra Shareholders, from a financial point of view, of the Arrangement, the SVS Exchange Ratio and the MVS Exchange Ratio. The Fairness Opinion states that, subject to the assumptions, limitations and qualifications stated therein, Evans & Evans is of the opinion that, as of March 5, 2026, the Arrangement, the SVS Exchange Ratio and the MVS Exchange Ratio are fair, from a financial point of view, to the Cathedra Shareholders. The Fairness Opinion is subject to the assumptions, limitations and qualifications contained therein and should be read in its entirety.

The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Appendix "E". Cathedra Shareholders are urged to, and should, read the Fairness Opinion in its entirety. The summary of the Fairness Opinion in this Information Circular is qualified in its entirety by reference to the full text of the Fairness Opinion. The Fairness Opinion is not a recommendation as to whether or not Cathedra Shareholders should vote for the Arrangement Resolution.

The Fairness Opinion was necessarily based upon information available, and financial, stock market and other conditions and circumstances existing and disclosed to Evans & Evans as of the date of the Fairness Opinion. Although subsequent developments may affect the Fairness Opinion, Evans & Evans has no obligation to update, revise or reaffirm its opinion.

The Fairness Opinion was only one of many factors taken into consideration by the Board in determining that the Arrangement is in the best interests of Cathedra, and should not be viewed as determinative of the views of the Board with respect to the Arrangement or the MVS Exchange Ratio and the SVS Exchange Ratio provided for pursuant to the Arrangement.

Neither Evans & Evans nor any of its affiliates or associates is an insider, associate or affiliate (as such terms are defined in the applicable Canadian Securities Laws) of the Company or Sphere or any of their respective associates or affiliates.

The Company paid a fixed professional fee (plus GST and out-of-pocket expenses) to Evans & Evans for the Fairness Opinion, no portion of which is contingent on the conclusion reached in the Fairness Opinion or upon completion of the Arrangement. Additional fees may be charged for any material revisions or updates, and amounts outstanding may accrue interest at 1.5% per month.

Steps in the Arrangement

Under the Plan of Arrangement, commencing at the Effective Time and provided that the terms and conditions of the Arrangement Agreement have been met or waived, the following events or transactions will occur sequentially and will be deemed to occur without any further act or formality required on the part of any person:

- (a) prior to the Effective Time, Sphere shall have filed articles of amendment to create the Sphere Series I Shares and to provide for the special rights and restrictions attaching to the Sphere Series I Shares;
- (b) at the Effective Time, each Cathedra Share held by a Dissenting Shareholder who is ultimately determined to be entitled to be paid the fair value of the Cathedra Shares in respect of which such Dissenting Shareholder has exercised Dissent Rights will be transferred by the holder thereof to Cathedra (free and clear of all encumbrances) and such Dissenting Shareholder will cease to be the holder thereof and the name of each Dissenting Shareholder will be removed from the register of the Cathedra Shares and such Dissenting Shares will be automatically cancelled;
- (c) immediately after the step above, Cathedra and Amalco Sub (a wholly-owned subsidiary of Sphere formed for the purpose of effecting the Arrangement) will complete the Amalgamation pursuant to the provisions of Division 3 of Part 9 of the Act and their continuation as one corporation being Amalco will become irrevocable, which corporation will be a wholly-owned subsidiary of Sphere;
- (d) at the same time as the Amalgamation, each registered holder of Cathedra SV Shares (other than Dissenting Shareholders) will receive that number of fully paid and non-assessable Sphere Common Shares equal to the product determined by multiplying the number of Cathedra SV Shares held by such holder by the SVS Exchange Ratio (being 0.123014 Sphere Common Shares for each Cathedra SV Share);
- (e) at the same time as the Amalgamation, each registered holder of Cathedra MV Shares (other than Dissenting Shareholders) will receive that number of fully paid and non-assessable Sphere Common Shares equal to the product determined by multiplying the number of Cathedra MV Shares held by such holder by the MVS Exchange Ratio (being 12.3014 Sphere Common Shares for each Cathedra MV Share);
- (f) notwithstanding the foregoing, to the extent that the aggregate number of Sphere Common Shares that would otherwise be issuable to any Key Holder would result in such Key Holder beneficially owning more than the Ownership Cap, such Key Holder shall instead receive, in lieu of the number of Sphere Common Shares in excess of the Ownership Cap, an equivalent number of Sphere Series I Shares;
- (g) at the same time as the Amalgamation, each Cathedra Warrant outstanding immediately prior to the Effective Time shall be exchanged for a Replacement Warrant to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of the number of Cathedra SV Shares issuable upon the exercise of such Cathedra Warrant multiplied by the SVS Exchange Ratio, with the exercise price per Sphere Common Share adjusted accordingly;
- (h) at the same time as the Amalgamation, each Cathedra Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for a Replacement Option under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of the number of Cathedra SV Shares subject to such Cathedra Option multiplied by the SVS Exchange Ratio, with the exercise price per Sphere Common Share adjusted accordingly;
- (i) at the same time as the Amalgamation, each Cathedra RSU (other than Accelerated Cathedra RSUs) outstanding immediately prior to the Effective Time held by Joel Block shall be exchanged for a Replacement RSU under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole

number) of Sphere Common Shares equal to the product of the number of Cathedra SV Shares subject to such Cathedra RSU multiplied by the SVS Exchange Ratio; and

- (j) all Accelerated Cathedra RSUs outstanding immediately prior to the Effective Time shall fully vest immediately prior to the Effective Time and each holder of an Accelerated Cathedra RSU shall receive that number (rounded down to the nearest whole number) of fully paid and non-assessable Sphere Common Shares equal to the product of the number of Cathedra SV Shares subject to such Accelerated Cathedra RSU multiplied by the SVS Exchange Ratio.

Recommendation of the Board

Cathedra has reviewed the terms and conditions of the proposed Arrangement and has concluded that the Arrangement is fair and reasonable to the Cathedra Securityholders and in the best interests of Cathedra.

In arriving at this conclusion, the Board considered, among other matters:

1. *Holdings in a Larger and More Liquid Company.* The Arrangement will offer Cathedra Securityholders the opportunity to participate in the future potential of Sphere, a company which has greater analyst coverage and share liquidity than currently enjoyed by Cathedra. Cathedra Shareholders will hold approximately 49% of the issued and outstanding Sphere Shares upon completion of the Arrangement on a partially diluted basis (assuming (i) the full conversion of the Sphere Series H Preferred Shares and the Sphere Series I Preferred Shares, (ii) the exercise of certain of the Replacement Options and existing outstanding Sphere Options and (iii) the vesting and settlement of the Replacement RSUs and outstanding Sphere RSUs). Sphere is expected to have an enhanced ability to raise capital, increased trading liquidity, a broader shareholder base and sell-side research coverage.
2. *Expected Strategic Benefits.* The Parties expect that the Transaction may provide certain strategic benefits, including:
 - (i) Increased scale and U.S. presence: The Combined Company is expected to operate a portfolio of approximately 53 MW of power capacity across data centers in Iowa, Kentucky and Tennessee.
 - (ii) Potential expansion opportunities: The Combined Company may evaluate opportunities to expand into adjacent high-performance compute and infrastructure applications, leveraging existing power relationships and sites.
 - (iii) Diversified operations: The integration of Sphere's mining fleet with Cathedra's data center operations is expected to result in a mix of proprietary mining and third-party hosting activities.
 - (iv) Development pipeline and access to capital: The Combined Company is expected to have access to a pipeline of potential expansion opportunities and may benefit from enhanced access to capital markets.
 - (v) Management continuity: Certain members of the existing management teams of Cathedra and Sphere are expected to continue with the Combined Company, including Joel Block as Chief Executive Officer and Kurt Kalbfleisch as Chief Financial Officer.
3. *Financial Condition and Prospects.* The Board considered the risks and potential rewards associated with Cathedra continuing to execute its business and strategic plan as an independent entity, as an alternative to the Arrangement, and that Sphere will be better positioned to pursue a growth and value maximizing strategy as compared to Cathedra on a standalone basis, as a result of Sphere's NASDAQ listing, increased capital markets opportunities, increased financial capacity and enhanced access to capital over the long term and the likelihood of increased investor interest and access to business development opportunities.

4. *Terms of the Arrangement Agreement.* The Arrangement Agreement is the result of a comprehensive arm's length negotiation process with Sphere that was undertaken by the Company with the assistance of legal advisors. The Arrangement Agreement includes terms and conditions that are reasonable in the judgment of the Board, including the fact that the Board maintains the ability to consider and respond, in accordance with the Arrangement Agreement and the Board's fiduciary duties, to an Acquisition Proposal that constitutes, or would reasonably be expected to constitute or lead to, a Superior Proposal.
5. *Fairness Opinion.* The Board considered the Fairness Opinion which stated to the effect that, as of March 5, 2026, subject to the assumptions, limitations and qualifications contained therein, the Arrangement is fair, from a financial point of view to the Cathedra Shareholders.
6. *Due Diligence.* The Company conducted comprehensive due diligence review and investigations of Sphere prior to entering the Arrangement Agreement and found the results of their due diligence review to be satisfactory.
7. *Approval of Cathedra Securityholders and the Court are required.* The following required approvals protect the rights of Cathedra Securityholders: (i) the Arrangement must be approved by at least 66⅔% of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares and the holders of Cathedra MV Shares present in person or by proxy at the Meeting voting together as a single class, with each Cathedra SV Share entitling the holder thereof to one vote per Cathedra SV Share and each Cathedra MV Share entitling the holder thereof to 152 votes per Cathedra MV Share; (ii) the Arrangement must be approved by at least 66⅔% of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares, holders of Cathedra MV Shares, Cathedra Option holders, Cathedra Warrant holders and Cathedra RSU holders, present in person or by proxy at the Meeting voting together as a single class; and (iii) the Arrangement must be sanctioned by the Court, which will consider the fairness of the Arrangement to Cathedra Securityholders.
8. *Dissent Rights.* Registered Cathedra Shareholders who oppose the Arrangement may, on strict compliance with the Dissent Procedures, exercise their Dissent Rights and receive the fair value of the Dissent Shares.

The Board also identified disadvantages associated with the Arrangement including the fact that Cathedra will incur significant expenses in connection with the Arrangement, the uncertainty surrounding the funding of Sphere, and that there is no assurance that the proposed Arrangement will result in positive benefits to Cathedra Securityholders.

The foregoing summary of the information, factors and risk factors considered by the Board are not intended to be exhaustive. In view of the variety of factors, the amount of information and the appropriate risk factors considered in connection with its evaluation of the Arrangement, the Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor or risk factor considered in reaching its conclusion and recommendation. The Board's recommendation was made after considering all of the above-noted factors as well as the information and risk factors referred to elsewhere herein and in light of the Board's knowledge of the business, financial condition and prospects of the Company and Sphere. In addition, individual members of the Board may have assigned different weights to different factors.

Based on its review of these and other factors, the Board considers the Arrangement to be in the best interests of Cathedra and fair and reasonable to the Cathedra Securityholders, and recommends that the Cathedra Securityholders vote in favour of the Arrangement Resolution.

Unless such authority is withheld, the persons named in the enclosed proxy intend to vote for the approval of the Arrangement Resolution.

The board of directors of Cathedra recommends that the Cathedra Securityholders vote in favour of the Arrangement Resolution. Each director of Cathedra who owns Cathedra Securities has indicated their intention to vote their Cathedra Securities, if any, in favour of the Arrangement Resolution.

Approval of the Arrangement Resolution

At the Meeting, Cathedra Securityholders will be asked to approve the Arrangement Resolution, the full text of which is set out in Appendix "A". In order for the Arrangement to become effective, as provided in the Interim Order and by the BCBCA, the Arrangement Resolution must be approved by at least: (a) 66⅔% of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares and the holders of Cathedra MV Shares present in person or by proxy at the Meeting voting together as a single class, with each Cathedra SV Share entitling the holder thereof to one vote per Cathedra SV Share and each Cathedra MV Share entitling the holder thereof to 152 votes per Cathedra MV Share; and (b) 66⅔% of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares, holders of Cathedra MV Shares, Cathedra Option holders, Cathedra Warrant holders and Cathedra RSU holders, present in person or by proxy at the Meeting voting together as a single class. Should Cathedra Securityholders fail to approve the Arrangement Resolution by the requisite majority, the Arrangement will not be completed.

The Arrangement Agreement

The description of the Arrangement Agreement, both below and elsewhere in this Information Circular, is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Arrangement Agreement, which is attached as Appendix "B". All capitalized terms used in the following summary but not otherwise defined in this Information Circular shall have the meanings ascribed thereto in the Arrangement Agreement.

Effective Date and Conditions of the Arrangement

If the Arrangement Resolution is passed, the Final Order approving the Arrangement is obtained, the requirements of the BCBCA relating to the Arrangement have been complied with and all other conditions disclosed below under the heading "*The Arrangement – The Arrangement Agreement – Conditions to the Arrangement*" are met or waived, the Arrangement will become effective at the Effective Time.

Representations and Warranties

The representations and warranties of the parties relate to, among other things, organization and qualification; corporate power, authority and execution relative to the Arrangement Agreement; binding obligation of each party; required approvals and consents; no violation of constating documents or certain agreements; litigation; and board approvals.

The Arrangement Agreement contains customary representations and warranties made by each of Cathedra and Sphere to one another. Those representations and warranties were made solely for purposes of the Arrangement Agreement.

The representations and warranties of each of Cathedra and Sphere in favour of the other relate to, among other things: (a) the due incorporation, existence and capacity of each entity; (b) the due authorization, execution and delivery of the Arrangement Agreement by each entity; (c) capitalization; (d) absence of certain changes; (e) compliance with laws; (f) financial statements; (g) litigation; (h) tax matters; (i) material contracts; (j) employment matters; and (k) other customary representations for a transaction of this nature.

Conditions to the Arrangement

Completion of the Arrangement is subject to a number of specified mutual conditions being met as of the Effective Time, including, but not limited to:

- (a) the Interim Order and Final Order shall have been obtained from the Court on terms acceptable to each of Cathedra and Sphere and shall not have been set aside or modified in a manner unacceptable to any of the parties, on appeal or otherwise;

- (b) receipt by Cathedra and Sphere of all required approvals including approval by Cathedra Securityholders of the Arrangement at the Meeting; approval by Sphere Shareholders of the issuance of the Consideration Shares; approval by the respective boards of directors; acceptance by the TSXV of the Arrangement; and approval of the Arrangement by the Court;
- (c) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Arrangement Agreement or the Plan of Arrangement;
- (d) none of the consents, orders, regulations or approvals contemplated by the Arrangement Agreement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the parties hereto, acting reasonably;
- (e) no adverse material change shall have occurred in the business, affairs, financial condition or operations of Cathedra or Sphere which would have a Material Adverse Effect on the business, assets, financial condition or results of operations of Cathedra or Sphere and any Subsidiary, taken as a whole;
- (f) there shall not exist any prohibition at law against Cathedra or Sphere which shall prevent the consummation of the Arrangement;
- (g) the Arrangement Agreement shall not have been previously terminated; and
- (h) the obligation of each Party to complete the Arrangement is subject to the further condition that the covenants of the other Party shall have been duly performed,

which conditions may be mutually waived by Cathedra and Sphere in whole or in part at any time.

Additionally, the obligations of Sphere to complete the transactions contemplated in the Arrangement Agreement are subject to satisfaction of certain conditions being met as of the Effective Time, including, but not limited to:

- (a) the representations and warranties of Cathedra being true and correct in all respects (except where the failure to be true and correct would not reasonably be expected to have a Material Adverse Effect on Cathedra), and Sphere having received an officer's certificate confirming the same;
- (b) all covenants of Cathedra having been duly performed in all material respects, and Sphere having received an officer's certificate confirming the same and certifying a list of Transaction Expenses and Cathedra Closing Payments (as defined in the Arrangement Agreement);
- (c) no Material Adverse Effect having occurred with respect to Cathedra since the date of the Arrangement Agreement;
- (d) Sphere having received resignations and releases from certain Directors and officers of Cathedra or Cathedra's Subsidiaries, effective as of the Effective Time;
- (e) holders of no more than 5% of the outstanding Cathedra Shares (calculated on an as-converted basis into Cathedra SV Shares) having exercised Dissent Rights (or, if exercised, such rights remaining unwithdrawn); and
- (f) the Key Holders having delivered duly executed voting agreements pursuant to which, for a period of 24 months following the Effective Date, each Key Holder agrees to vote all Sphere Common Shares held by them at any meeting of Sphere Shareholders in accordance with the recommendations of the Sphere Board, subject to certain exceptions where a Key Holder is materially and disproportionately adversely impacted by a proposal compared to other Sphere Shareholders,

which conditions are for the exclusive benefit of Sphere and may be waived by it in whole or in part at any time.

Additionally, the obligations of Cathedra to complete the transactions contemplated in the Arrangement Agreement are subject to satisfaction of conditions being met as of the Effective Time, including, but not limited to:

- (a) the representations and warranties of Sphere being true and correct in all respects (except where the failure to be true and correct would not reasonably be expected to have a Material Adverse Effect on Sphere), and Cathedra having received an officer's certificate confirming the same;
- (b) all covenants of Sphere having been duly performed in all material respects, and Cathedra having received an officer's certificate confirming the same and certifying a list of Transaction Expenses and Sphere Closing Payments (as defined in the Arrangement Agreement);
- (c) the Sphere Series I Shares shall have been created and Sphere will have allotted and issued the Consideration Shares to be exchanged for Cathedra Shares pursuant to the Arrangement Agreement and delivered such Consideration Shares;
- (d) Sphere will have granted the Replacement Options, Replacement RSUs and Replacement Warrants in exchange for the Cathedra Options, Cathedra RSUs and Cathedra Warrants (as the case may be), as at the Effective Time pursuant to the Arrangement and will have executed and delivered counterparts for stock option agreements in respect of such Replacement Options, award agreements in respect of such Replacement RSUs and warrant certificates in respect of such Replacement Warrants (as may be necessary);
- (e) no Material Adverse Effect having occurred with respect to Sphere since the date of the Arrangement Agreement;
- (f) Sphere having submitted to NASDAQ a Listing of Additional Shares Notification Form with respect to the Sphere Common Shares to be issued pursuant to the Arrangement and upon the exercise, settlement or conversion of Replacement Options, Replacement RSUs, Replacement Warrants and the Sphere Series I Shares; and
- (g) (i) the directors of Sphere immediately prior to the Effective Time who are not Director Nominees having delivered executed resignation letters, (ii) Kurt Kalbfleisch having been terminated as Chief Executive Officer of Sphere, (iii) the Director Nominees having been appointed or elected to the Sphere Board effective as of the Effective Time, and (iv) Joel Block having been appointed as Chief Executive Officer of Sphere effective as of the Effective Time,

which conditions are to the exclusive benefit of Cathedra and may be waived by it in whole or in part at any time.

Covenants of Cathedra and Sphere

Each of Cathedra and Sphere has agreed that it shall take such steps and do all such other acts and things, as may be necessary or desirable in order to give effect to the transactions contemplated by the Arrangement Agreement, subject to securityholders' and regulatory approval, and shall use its commercially reasonable best efforts to apply for and obtain such consents, orders or approvals as are necessary or desirable for the implementation of the Arrangement. From the date of the Arrangement Agreement until the earlier of the Effective Time and the termination of the Arrangement Agreement, each of Cathedra and Sphere has agreed to conduct its business only in the ordinary course consistent with past practice and not to take certain actions without the other Party's written consent, including (among other things): (i) issuing securities other than pursuant to existing outstanding convertible securities and certain permitted issuances; (ii) subdividing, combining or reclassifying securities, or declaring dividends; (iii) acquiring or disposing of material assets or properties outside the ordinary course; (iv) incurring indebtedness; (v) amending constating documents; or (vi) entering into new capital expenditure commitments in excess of \$200,000 in the aggregate per Party. Sphere is permitted to continue issuing Sphere Common Shares under

its existing at-the-market equity program (the "**ATM Agreement**"); however, if Sphere issues Sphere Common Shares under the ATM Agreement for aggregate net proceeds in excess of US\$1,000,000, the SVS Exchange Ratio and MVS Exchange Ratio will be adjusted to reflect such additional shares, such that the relative economic value and proportionate ownership of the Cathedra Shareholders is preserved. Cathedra Shareholders should note that ATM Agreement issuances for aggregate net proceeds of US\$1,000,000 or less will not trigger any exchange ratio adjustment. In addition, each of Cathedra and Sphere has agreed to:

- (a) apply for and obtain the Interim Order and the Final Order; and
- (b) obtain written consents from any persons who are parties to agreements with Cathedra or a subsidiary of Cathedra where consents to the transactions contemplated by the Arrangement are required under those contracts or agreements.

Additionally, Cathedra and Sphere have acknowledged that at the Effective Time, each Cathedra Option will be exchanged for a Replacement Option pursuant to which:

- (a) the holder of the Replacement Option will be entitled to acquire, upon exercise of the Replacement Option, such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of the number of Cathedra SV Shares subject to such Cathedra Option immediately prior to the Effective Time multiplied by the SVS Exchange Ratio; and
- (b) the exercise price per Sphere Common Share subject to a Replacement Option shall be an amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of: (A) the exercise price per Cathedra SV Share subject to such Cathedra Option immediately before the Effective Time, divided by (B) the SVS Exchange Ratio.

Cathedra and Sphere have agreed that, at the Effective Time, each outstanding Cathedra Warrant will be exchanged for a Replacement Warrant. Each Replacement Warrant will entitle the holder, upon exercise and for the same aggregate consideration payable therefor, to acquire that number of Sphere Common Shares determined by reference to the SVS Exchange Ratio, and will otherwise be on substantially the same terms and conditions as the corresponding Cathedra Warrant.

Non-Solicitation

Under the Arrangement Agreement, each of Cathedra and Sphere has agreed that it will not, directly or indirectly, (i) solicit, assist, initiate, encourage or otherwise facilitate any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal; (ii) enter into or participate in any discussions or negotiations regarding any Acquisition Proposal; (iii) make a Change in Recommendation (as defined in the Arrangement Agreement); or (iv) accept, approve, endorse or recommend any Acquisition Proposal. Each Party has also agreed to immediately cease and terminate any pre-existing discussions with third parties regarding potential Acquisition Proposals.

Notwithstanding the foregoing, if a Party receives an unsolicited bona fide written Acquisition Proposal that its board determines in good faith, after consultation with its financial and legal advisors, constitutes or would reasonably be expected to constitute or lead to a Superior Proposal, such Party may (a) provide the person making such Acquisition Proposal with access to material non-public information (subject to entry into a confidentiality and standstill agreement on substantially the same terms as the existing Confidentiality Agreement), and (b) enter into discussions or negotiations with such person, provided that the Party promptly (and in any event within 24 hours) notifies the other Party of such Acquisition Proposal, including a description of its material terms and conditions, the identity of the person making the proposal, and copies of all related materials.

Right to Match

If a Party's board determines that an Acquisition Proposal constitutes a Superior Proposal, the Party may terminate the Arrangement Agreement to enter into a definitive agreement with respect to such Superior Proposal, but only if: (i) the Party has complied with its obligations under the non-solicitation provisions; (ii) the Party has delivered a Superior Proposal Notice (as defined in the Arrangement Agreement) to the other Party together with a copy of the Acquisition Proposal; (iii) at least five (5) Business Days (the "**Matching Period**") have elapsed from the date the other Party received the Superior Proposal Notice and a copy of the Acquisition Proposal; and (iv) during the Matching Period, the other Party has had the opportunity to offer to amend the terms of the Arrangement Agreement so that the Acquisition Proposal ceases to be a Superior Proposal. Each successive amendment to any Acquisition Proposal constitutes a new Acquisition Proposal and triggers a new five (5) Business Day Matching Period.

Termination Fee

The Arrangement Agreement provides for a reciprocal termination fee of US\$500,000 (the "**Termination Fee**"). Cathedra is required to pay the Termination Fee to Sphere if: (i) Cathedra terminates the Arrangement Agreement to enter into a definitive agreement with respect to a Cathedra Superior Proposal; (ii) Sphere terminates the Arrangement Agreement due to a Change in Recommendation by the Board (other than where such change resulted from a Material Adverse Effect on Sphere); or (iii) either Party terminates the Arrangement Agreement due to failure to obtain approval of Cathedra Shareholders and a competing Acquisition Proposal was publicly announced prior to the Meeting and is subsequently consummated within 12 months. Sphere is required to pay the Termination Fee to Cathedra in corresponding circumstances with respect to a Sphere Superior Proposal or Change in Recommendation by the Sphere Board.

Amendment

Subject to any mandatory applicable restrictions under the provisions of the Arrangement or the Final Order, the Arrangement Agreement, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the Meeting, but prior to the Effective Date, be amended by written agreement of the parties without, subject to applicable law, further notice to or authorization on the part of the Cathedra Securityholders.

Termination

The Arrangement Agreement may be terminated at any time prior to the Effective Time:

- (a) by mutual written consent of Sphere and Cathedra;
- (b) by either Sphere or Cathedra if: (i) the Arrangement Resolution is not approved by the Cathedra Shareholders at the Meeting; (ii) the Sphere Resolution is not approved by the Sphere Shareholders at the Sphere Meeting; (iii) any final and non-appealable law makes the Arrangement illegal or prohibits or enjoins any party from consummating the Arrangement; (iv) the Effective Date does not occur on or prior to September 30, 2026, provided that the failure is not due to the terminating party's own breach; or (v) either Party reasonably determines that the mutual condition regarding NASDAQ continued listing standards has not been satisfied;
- (c) by Cathedra if: (i) Sphere has breached its covenants or representations in a manner that would cause conditions to not be satisfied, subject to a 15 Business Day cure period; (ii) in order to enter into a definitive agreement with respect to a Cathedra Superior Proposal, subject to compliance with the non-solicitation and right to match provisions and payment of the Termination Fee; or (iii) the Sphere Board has made a Change in Recommendation, Sphere has entered into an agreement with respect to an Acquisition Proposal, or Sphere has materially breached the non-solicitation provisions; and
- (d) by Sphere if: (i) Cathedra has breached its covenants or representations in a manner that would cause

conditions to not be satisfied, subject to a 15 Business Day cure period; (ii) in order to enter into a definitive agreement with respect to a Sphere Superior Proposal, subject to compliance with the non-solicitation and right to match provisions and payment of the Termination Fee; or (iii) the Board has made a Change in Recommendation, Cathedra has entered into an agreement with respect to an Acquisition Proposal, or Cathedra has materially breached the non-solicitation provisions.

Upon termination, except for the Termination Fee provisions and certain surviving general provisions, no Party has any further liability under the Arrangement Agreement, provided that no termination relieves any Party of liability for willful or intentional breach or any liability arising prior to such termination.

Completion of the Arrangement

If: (1) the Arrangement Resolution is approved by Cathedra Securityholders; (2) the Final Order approving the Arrangement is obtained; (3) TSXV acceptance of the Arrangement is obtained; (4) every requirement of the BCBCA relating to the Arrangement has been complied with; and (5) all other conditions disclosed under "*The Arrangement Agreement – Conditions to the Arrangement*" above are either met or waived, the Arrangement will become effective at the Effective Time.

The full particulars of the Arrangement are contained in the Plan of Arrangement attached as Appendix "B" and incorporated by reference into this Information Circular.

Notwithstanding receipt of the above approvals, the Board may terminate the Arrangement Agreement and abandon the Arrangement in accordance with the terms of the Arrangement Agreement without further approval from the Cathedra Securityholders.

Effect of the Arrangement

Cathedra Shareholders

As a result of the Arrangement, Cathedra Shareholders will receive Sphere Shares in exchange for their Cathedra Shares. Cathedra and Amalco Sub will amalgamate to form Amalco, which will be a wholly-owned subsidiary of Sphere.

Sphere is an Ontario company governed by the *Business Corporations Act* (Ontario). For more information regarding Sphere, see Appendix "F" – "*Information Concerning Sphere*".

Cathedra Option Holders, RSU Holders and Warrant Holders

In accordance with the Arrangement, each Cathedra Option, Cathedra RSU and Cathedra Warrant outstanding immediately prior to the Effective Time will be treated as follows:

Cathedra Options

Each Cathedra Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for a Replacement Option under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of Cathedra SV Shares subject to such Cathedra Option immediately prior to the Effective Time multiplied by (B) the SVS Exchange Ratio (being 0.123014). The exercise price per Sphere Share subject to a Replacement Option shall be an amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of: (A) the exercise price per Cathedra SV Share subject to such Cathedra Option immediately before the Effective Time divided by (B) the SVS Exchange Ratio. All terms and conditions of such Replacement Option (other than the term to expiry), including the terms, conditions and manner of exercising shall be governed by the equity incentive plan of Sphere, subject to that any change in such terms, conditions and manner of exercising, shall not be, in the aggregate and viewed as a whole,

economically prejudicial to the holders of such Cathedra Options, and any document or agreement evidencing a Cathedra Option shall thereafter evidence and be deemed to evidence such Replacement Option.

Following the Effective Date, the Replacement Options may not be exercised in the United States or by, or on behalf or for the benefit of, a U.S. Person, unless (i) an exemption is available from the registration requirements of the U.S. Securities Laws, and the holder furnishes to Sphere an opinion of counsel or other evidence of exemption satisfactory to Sphere, acting reasonably, to such effect or (ii) Sphere has an effective registration statement on Form S-8 registering the Sphere Shares underlying such Replacement Options.

Cathedra Warrants

Each Cathedra Warrant outstanding immediately prior to the Effective Time shall be exchanged for a Replacement Warrant to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of Cathedra SV Shares issuable upon the exercise of such Cathedra Warrant immediately prior to the Effective Time multiplied by (B) the SVS Exchange Ratio (being 0.123014).

The exercise price per Sphere Common Share subject to any such Replacement Warrant shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of: (A) the exercise price per Cathedra SV Share issuable upon exercise of such Cathedra Warrant immediately before the Effective Time divided by (B) the SVS Exchange Ratio.

No Replacement Warrant may be exercised in the United States or by or on behalf of a U.S. Person unless (i) an exemption from registration under the U.S. Securities Act and applicable state securities laws is available or (ii) Sphere has an effective registration statement registering the Sphere Shares underlying such Replacement Warrants.

Cathedra RSUs

Each unvested Cathedra RSU (other than any Accelerated Cathedra RSUs) outstanding immediately prior to the Effective Time held by Joel Block shall be exchanged for a Replacement RSU under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of Cathedra SV Shares subject to such Cathedra RSU immediately prior to the Effective Time multiplied by (B) the SVS Exchange Ratio.

All Accelerated Cathedra RSUs outstanding immediately prior to the Effective Time shall, in accordance with their terms, fully vest immediately prior to the Effective Time. At the Effective Time, each holder of an Accelerated Cathedra RSU shall receive, in full satisfaction of such Accelerated Cathedra RSU and in consideration therefor, that number (rounded down to the nearest whole number) of fully paid and non-assessable Sphere Common Shares equal to the product of: (A) the number of Cathedra SV Shares subject to such Accelerated Cathedra RSU immediately prior to the Effective Time multiplied by (B) the SVS Exchange Ratio.

Court Approval of the Arrangement

An Arrangement under the BCBCA requires approval of the Court.

Interim Order

On April 1, 2026, Cathedra obtained the Interim Order providing for the calling and holding of the Meeting, the Dissent Rights and certain other procedural matters. The text of the Interim Order and the Petition and Notice of Hearing of Petition for the Final Order are set out in Appendix "C" and Appendix "D", respectively.

Final Order

Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by Cathedra Securityholders at the Meeting in the manner required by the Interim Order, Cathedra intends to make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is currently scheduled for May 20, 2026 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, at the Vancouver Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at any other date and time as the Court may direct. Any Cathedra Securityholder who wishes to appear or be represented and to present evidence or arguments at that hearing must file and serve a response to petition at the address for service, as contained in the Petition and Notice of Hearing of Petition set out in Appendix "D", no later than 4:00 p.m. (Vancouver time) on May 15, 2026, along with any other documents required, and satisfy any other requirements of the Court. Such persons should consult with their legal advisors as to the necessary requirements. If the hearing is adjourned then, subject to further order of the Court, only those persons having previously filed and served a response to petition will be given notice of the adjournment. Cathedra has been advised by its legal counsel, DWF LLP, that the Court has broad discretion under the BCBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending upon the nature of any required amendments, Cathedra may determine not to proceed with the Arrangement.

The Sphere securities to be issued and distributed to the Cathedra Securityholders pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the applicable Securities Laws of any state of the United States and will be issued, distributed and exchanged, as applicable, in reliance upon the Section 3(a)(10) Exemption and exemptions provided under the applicable Securities Laws of each state of the United States in which Cathedra Securityholders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued or distributed in exchange for outstanding securities, claims or property interests, where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval and to hold such a hearing. The Court will be advised at the hearing of the application for the Final Order that if the terms and conditions of the Arrangement, and the fairness thereof, are approved by the Court, the Final Order will be relied upon to constitute the basis for the Section 3(a)(10) Exemption with respect to the Cathedra securities to be issued and distributed pursuant to the Arrangement. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the issuance of the Cathedra securities in connection with the Arrangement. See *"Particulars of Matters to be Acted Upon – The Arrangement – U.S. Securities Laws and Resale of Securities"*.

For further information regarding the Court hearing and your rights in connection with the Court hearing, see the form of Notice of Petition attached as Appendix "D". The Notice of Petition constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

Regulatory Approvals

The Cathedra SV Shares are listed and posted for trading on the TSXV. The Sphere Common Shares are listed and posted for trading on the NASDAQ Capital Market. **The Arrangement is subject to the acceptance of the TSXV and NASDAQ not objecting to the issuance of the Consideration Shares. Cathedra will not proceed with the Arrangement if regulatory acceptance or approval is not obtained.**

Other than the Final Order, the acceptance of the TSXV and the lack of objection from NASDAQ, Cathedra is not aware of any material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required to be obtained in order to complete the

Arrangement. In the event that any such approvals or consents are determined to be required, such approvals or consents will be sought, although any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, Cathedra currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date.

Parties to the Arrangement

Information Concerning Cathedra

Cathedra was incorporated under the *Business Corporations Act* (Ontario) on July 13, 2011, and was subsequently continued under the laws of the Province of British Columbia in 2018. Cathedra has undergone several name changes, adopting its current name, “Cathedra Bitcoin Inc.,” on December 8, 2021. Its registered and records office is located at 170-422 Richards Street, Vancouver, British Columbia, Canada, V6B 2Z4. Cathedra is headquartered in Vancouver, British Columbia, and its shares trade on the TSXV under the symbol CBIT and on the OTCQB Venture Market under the symbol CBTTF.

Cathedra is a mining and data center hosting company. Cathedra’s principal business is cryptocurrency mining and the operation of data center infrastructure for high-density compute applications, including bitcoin mining and artificial intelligence. Cathedra’s business objectives are to continue to build a leading technology-oriented blockchain mining company committed to operating in low-cost North American green-energy regions, achieve peak operational efficiency in industrial-scale bitcoin mining, and deliver an industry-leading competitive advantage in performance. Cathedra’s objective is to maximize its per-share bitcoin holdings. To accomplish this objective, Cathedra intends to continue managing and optimizing its bitcoin mining operations and hosting operations and is focused on expanding its portfolio of data center infrastructure for high-density compute applications including bitcoin mining and artificial intelligence.

Cathedra confirms transactions for, and provides settlement assurances to, users of the bitcoin blockchain. In return, the bitcoin network compensates Cathedra with newly minted bitcoins and bitcoin transaction fees. Cathedra’s business model is to convert electricity into bitcoins at below-market cost, retaining as many mined coins as possible on its balance sheet indefinitely.

The main components of Cathedra’s bitcoin mining operations are application-specific integrated circuit miners, which are specialized machines designed for bitcoin mining located in each of Cathedra’s data center facilities, power supply units, networking and security equipment, electronic components, cooling equipment and other related hardware. Cathedra aims to provide miners with a convenient one-stop solution for their data center needs. Cathedra provides specialized data centers featuring the infrastructure for prospective clients to house their rigs, access to low-cost electricity based on the client’s actual power usage, and hosting and support services.

Cathedra identifies ideal industrial locations to serve as data centers and enters into agreements to lease or purchase the property, then works with local utilities or power generation facilities near its centers to establish access to low-cost electricity through power contracts. After retrofitting the facilities with the infrastructure necessary to host rigs, Cathedra then enters into hosting agreements with miners, providing them with an optimal location and infrastructure to mine bitcoin.

The following table sets out certain financial data for Cathedra in respect of the years ended December 31, 2025 and 2024.

Audited	Financial year ended December 31, 2025	Financial year ended December 31, 2024
Total Revenue	\$21,194,411	\$23,143,723
Operating Income (Loss)	\$(6,962,703)	\$1,347,407
Total Assets	\$32,163,992	\$71,196,019

Total Liabilities	\$8,333,584	\$27,398,847
Shareholders' Equity	\$23,830,408	\$28,276,386

Following completion of the Arrangement, Cathedra will amalgamate with Amalco Sub to form Amalco, which will be a wholly-owned subsidiary of Sphere.

Information Concerning Sphere

Sphere was incorporated on May 2, 2007 pursuant to the provisions of the *Business Corporations Act* (Ontario) under the name "T.B. Mining Ventures Inc.". On December 20, 2012, Sphere amended its name from "T.B. Mining Ventures Inc." to "Sphere 3D Corporation". On March 24, 2015, the corporation amalgamated with 2458417 Ontario Inc., and continued as "Sphere 3D Inc." On March 24, 2015, Sphere completed a short-form amalgamation with a wholly-owned subsidiary and changed its name to "Sphere 3D Corp."

Sphere is a bitcoin miner, growing its digital asset mining operation through the capital-efficient procurement of next-generation mining equipment and partnering with data center operators. The Sphere Shares are listed on NASDAQ under the symbol "ANY".

For a detailed description of Sphere prior to the completion of the Arrangement, see Appendix "F" - *Information Concerning Sphere*.

Information Concerning the Combined Company

Upon completion of the Arrangement, Cathedra Securityholders will hold securities of Sphere and the business of the Combined Company will be that of Sphere and Cathedra. The Combined Company will position itself as a next-generation provider of high-density computing power infrastructure. Its core operations will center on high-performance compute (with potential expansion into AI and HPC services), digital assets (primarily bitcoin mining), energy optimization, and the development of power and related infrastructure. Operationally, the Combined Company will manage approximately 53 MW of bitcoin mining sites across data centers in Tennessee, Kentucky, and Iowa. It plans to pursue significant growth by scaling capacity by an additional ~100 MW and diversifying beyond bitcoin mining into broader high-density computing applications.

For a detailed description of the Combined Company upon completion of the Arrangement, see Appendix "H" – *Information Concerning the Combined Company*.

For unaudited pro forma consolidated financial statements of the Combined Company, see Appendix "I" – *Unaudited Pro Forma Financial Statements of the Combined Company*.

Canadian Securities Laws and Resale of Securities

The following summary is not comprehensive. Each Cathedra Securityholder is urged to consult such holder's professional advisers to determine the Canadian conditions and restrictions applicable to trades in the Sphere Shares. There may also be restrictions placed on resale of the Sphere Shares by applicable securities laws. Resale of any securities acquired in connection with the Arrangement may be required to be made through properly registered securities dealers.

Sphere is a reporting issuer in British Columbia, Alberta and Ontario and the Sphere Common Shares are listed and posted for trading on NASDAQ.

The issuance of the Sphere Shares to Cathedra Shareholders, Replacement Options to Cathedra Option holders, Replacement Warrants to Cathedra Warrant holders and Replacement RSUs to Cathedra RSU holders pursuant to the Arrangement will constitute a distribution of securities which is exempt from the registration and prospectus requirements of Canadian securities legislation. The Sphere Shares received by Cathedra Shareholders pursuant to

the Arrangement may be resold in each of the provinces and territories of Canada provided that (i) the trade is not a "control distribution" as defined in National Instrument 45-102 – *Resale of Securities*; (ii) no unusual effort is made to prepare the market or create a demand for those securities; (iii) no extraordinary commission or consideration is paid in respect of that sale; and (iv) if the selling securityholder is an insider or officer of Sphere, the selling securityholder has no reasonable grounds to believe that Sphere is in default of securities legislation.

U.S. Securities Laws and Resale of Securities

The Sphere Shares, Replacement Options, Replacement Warrants and Replacement RSUs to be received by Cathedra Securityholders pursuant to the Arrangement (collectively, the "**Exchanged Securities**") have not been and will not be registered under the U.S. Securities Act or applicable state Securities Laws, and are being issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof on the basis of the approval of the Court, and similar exemptions from registration under applicable state Securities Laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to those to whom the securities will be issued, at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on April 1, 2026 and, subject to the approval of the Arrangement by the Cathedra Securityholders, a hearing on the Arrangement will be held on May 20, 2026 at 9:45 a.m. (Vancouver time). All Cathedra Securityholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and comparable state securities laws with respect to the Exchanged Securities. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order.

The solicitation of proxies for the Meeting is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitations and transactions contemplated in this Information Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Information Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. U.S. securityholders should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. Specifically, information concerning the mining operations of Cathedra and Sphere contained herein has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards. The audited and unaudited historical financial statements of Cathedra included, or incorporated by reference, in this Information Circular have been prepared in accordance with Canadian accounting standards and are subject to Canadian auditing and auditor independence standards, which may differ from U.S. GAAP and auditing and auditor independence standards in certain material respects, and thus may not be comparable to financial statements of United States companies.

The enforcement by investors of civil liabilities under the United States securities laws may be affected adversely by the fact that Cathedra is organized under the laws of the Province of British Columbia and Sphere is organized under the laws of the Province of Ontario, that their officers and directors are, or will be, primarily residents of countries other than the United States, that the experts named in this Information Circular are residents of countries other than the United States, and that all or substantial portions of the assets of Cathedra and Sphere and such other persons are, or will be, located outside the United States.

The Sphere Common Shares are expected to be freely tradable under U.S. federal Securities laws, except by persons who are "affiliates" of Sphere within 90 days prior to completion of the Arrangement or "affiliates" of Sphere following completion of the Arrangement. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Resales by Affiliates Pursuant to Rule 144

In general, pursuant to Rule 144, persons who are "affiliates" of Cathedra or Sphere, as applicable, after the completion of the Arrangement, or were "affiliates" of Cathedra or Sphere, as applicable, within 90 days prior to the completion of the Arrangement, will be entitled to sell, during any three-month period, those Sphere Shares that they receive pursuant to the Arrangement, provided that the number of such securities sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such securities during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale requirements, aggregation rules, notice filing requirements and the availability of current public information about the issuer. Persons who are affiliates of Cathedra or Sphere after the Plan of Arrangement will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of such issuers.

Resales by Affiliates Pursuant to Regulation S

In general, pursuant to Regulation S, persons who are "affiliates" of Cathedra or Sphere, as applicable, after the completion of the Arrangement, or were "affiliates" of Cathedra or Sphere, as applicable, within 90 days prior to the completion of the Arrangement, solely by virtue of their status as an officer or director of Cathedra or Sphere, as applicable, may sell their Sphere Shares outside the United States in an "offshore transaction" if none of the seller, an affiliate or any person acting on their behalf engages in "directed selling efforts" in the United States with respect to such securities and provided that no selling concession, fee or other remuneration is paid in connection with such sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. For purposes of Regulation S, "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered. Also, for purposes of Regulation S, an offer or sale of securities is made in an "offshore transaction" if the offer that is not made to a person in the United States and either (a) at the time the buy order is originated, the buyer is outside the United States, or the seller reasonably believes that the buyer is outside of the United States, or (b) the transaction is executed in, on or through the facilities of a "designated offshore securities market" (which would include a sale through the NASDAQ), and neither the seller nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States. Certain additional restrictions set forth in Rule 903 of Regulation S are applicable to sales outside the United States by a holder of Sphere Common Shares who is an "affiliate" of Sphere after the completion of the Arrangement, or was an "affiliate" of Sphere within 90 days prior to the completion of the Arrangement, other than by virtue of his or her status as an officer or director of Sphere.

The securities issuable upon exercise of the Replacement Options, the Replacement Warrants and the Replacement RSUs have not been, and may not be, registered under the U.S. Securities Act or any applicable state securities or "blue sky" law. Accordingly, the Replacement Options, the Replacement Warrants and the Replacement RSUs may not be exercised by a "U.S. person", as that term is defined by Regulation S under the U.S. Securities Act, or a person in the United States unless (i) an exemption from registration is available, and, in connection with such exercise, Cathedra or Sphere, as applicable, has been provided by such holder evidence satisfactory to Cathedra or Sphere of the availability of an exemption from any applicable registration requirements or (ii) Sphere has an effective registration statement registering the Sphere Shares underlying such securities.

The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the Sphere Shares, Replacement Options, the Replacement Warrants and the Replacement RSUs to be received by Cathedra Securityholders under the Arrangement. **All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.**

THE SPHERE SHARES, REPLACEMENT OPTIONS, REPLACEMENT WARRANTS AND REPLACEMENT RSUS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES

SECURITIES AND EXCHANGE COMMISSION OR ANY SUCH AUTHORITY PASSED ON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Significant Positions and Shareholdings

In considering the recommendation of the Board with respect to the Arrangement, Cathedra Securityholders should be aware that certain members of Cathedra's senior management and the Board have certain interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement.

The following table discloses the number of shares currently owned, controlled or directed, directly or indirectly, by the directors and senior officers of Cathedra (of whom are currently known), as well as their positions and shareholdings in Sphere upon completion of the Arrangement assuming no changes to the number of Cathedra Securities currently held or to the issued and outstanding Cathedra Shares as of the Record Date.

Name	Cathedra Relationship, Shares, Warrants and Stock Options⁽¹⁾	Post-Transaction Sphere Relationship and Shares
Joel Block	<i>Chief Executive Officer and Director of Cathedra</i> Nil Cathedra MV Shares Nil Cathedra SV Shares Nil Cathedra Warrants Nil Cathedra Options 1,447,584 Cathedra RSUs	<i>Chief Executive Officer</i> 184,737 Sphere Shares 178,073 Replacement RSUs
Marcus Dent	<i>Director of Cathedra</i> Nil Cathedra MV Shares 13,000 Cathedra SV Shares Nil Cathedra Warrants 66,666 Cathedra Options 70,000 Cathedra RSUs	<i>Director</i> 1,599 Sphere Shares Nil Replacement Warrants 8,200 Replacement Options 8,611 Sphere Shares for Accelerated RSUs
David Jaques	<i>Director of Cathedra</i> Nil Cathedra MV Shares 33,333 Cathedra SV Shares Nil Cathedra Warrants 5,000 Cathedra Options 70,000 Cathedra RSUs	<i>Prior Director of Cathedra ⁽⁸⁾</i> 4,100 Sphere Shares Nil Replacement Warrants 615 Replacement Options 8,611 Sphere Shares for Accelerated RSUs
Matthew Kita	<i>Director of Cathedra</i> Nil Cathedra MV Shares 7,102 Cathedra SV Shares Nil Cathedra Warrants Nil Cathedra Options 257,538 Cathedra RSUs	<i>Consultant</i> 873 Sphere Shares Nil Replacement Warrants Nil Replacement Options 31,680 Sphere Shares for Accelerated RSUs

Name	Cathedra Relationship, Shares, Warrants and Stock Options⁽¹⁾	Post-Transaction Sphere Relationship and Shares
Thomas Masiero	<i>Head of Strategy and Director of Cathedra</i> 99,794 Cathedra MV Shares ⁽²⁾ 62,094 Cathedra SV Shares ^{(3) (4)} Nil Cathedra Warrants 252,961 Cathedra Options 187,692 Cathedra RSUs ^{(4) (6)}	<i>Prior Director of Cathedra</i> 734,552 Sphere Series I Shares 431,418 Sphere Common Shares (including Sphere Shares issued for Accelerated RSUs) 31,117 Replacement Options
Jialin “Gavin” Qu	<i>Head of Growth and Director of Cathedra</i> 104,484 Cathedra MV Shares ⁽⁵⁾ 49,281 Cathedra SV Shares Nil Cathedra Warrants 250,000 Cathedra Options 195,231 Cathedra RSUs ⁽⁶⁾	<i>Prior Director of Cathedra</i> 791,572 Sphere Series I Shares 431,443 Sphere Common Shares (including Sphere Shares issued for Accelerated RSUs) 30,753 Replacement Options
Inar Kamaletdinov	<i>Chief Financial Officer and Corporate Secretary of Cathedra</i> Nil Cathedra MV Shares Nil Cathedra SV Shares Nil Cathedra Warrants Nil Cathedra Options 100,000 Cathedra RSUs	<i>Consultant</i> Nil Sphere Shares Nil Replacement Warrants Nil Replacement Options 12,301 Sphere Shares for Accelerated RSUs

Notes:

- 1) The information as to principal occupation and number of Cathedra Securities beneficially owned or controlled, not being within the knowledge of the Company, has been furnished by the respective individual themselves. Unless otherwise indicated, such securities are held directly.
- 2) Thomas Masiero holds 99,794 Cathedra MV Shares beneficially through Thy Kingdom Trust.
- 3) Thomas Masiero holds 56,639 Cathedra SV Shares beneficially through Thy Kingdom Trust and Kingdom First Trust.
- 4) Thomas Masiero holds 37,692 Cathedra RSUs, 252,961 Cathedra Options and an additional 5,455 Cathedra SV Shares in his personal capacity
- 5) Jialin “Gavin” Qu holds 104,484 Cathedra MV Shares beneficially through Togetsu Trust.
- 6) Jialin “Gavin” Qu holds 150,000 Cathedra RSUs beneficially through Poimen Trust. Thomas Masiero holds 150,000 Cathedra RSUs beneficially through Poimen Trust.
- 7) Jialin “Gavin” Qu holds 45,231 Cathedra RSUs and 250,000 Cathedra Options in his personal capacity.
- 8) David Jaques will resign on the closing of the Transaction.

Arrangement Risk Factors

In evaluating the Arrangement, Cathedra Securityholders should carefully consider the following risk factors relating to the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by Sphere, may also adversely affect the Cathedra Shares, Sphere Shares and/or the businesses of Cathedra and Sphere following the Arrangement. In addition to the risk factors relating to the Arrangement set out below, Cathedra Securityholders should also carefully consider the risk factors associated with the businesses of Cathedra and Sphere included in this Information Circular and its Appendices or the documents incorporated by reference. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

The risks associated with the Arrangement include:

The Arrangement Agreement may be terminated at the absolute discretion of the Board.

The Board has a right to terminate the Arrangement in accordance with the terms of the Arrangement Agreement. Accordingly, there is no certainty, nor can Cathedra provide any assurance, that the Arrangement will not be terminated before completion.

There can be no certainty that all conditions precedent to the Arrangement will be satisfied.

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of Cathedra, including receipt of the Final Order. There can be no certainty, nor can Cathedra provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Arrangement is not completed, the market price of the Cathedra Shares may decline to the extent that the current market price reflects a market assumption that the Arrangement will be completed.

Requisite securityholders' approvals may not be obtained.

The Arrangement Resolution will require the approval of the Cathedra Securityholders in accordance with applicable laws and the Interim Order, being (i) at least 66⅔% of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares and the holders of Cathedra MV Shares, present in person or by proxy at the Meeting, voting together as a single class, with each Cathedra SV Share entitling the holder thereof to one vote per Cathedra SV Share and each Cathedra MV Share entitling the holder thereof to 152 votes per Cathedra MV Share; and (ii) at least 66⅔% of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares, holders of Cathedra MV Shares, Cathedra Option holders, Cathedra Warrant holders and Cathedra RSU holders, present in person or by proxy at the Meeting, voting together as a single class. There can be no certainty, nor can Cathedra provide any assurance, that the requisite securityholders' approvals will be obtained. If such approvals are not obtained and the Arrangement is not completed, the market price of the Cathedra Shares may decline to the extent that the current market price of the Cathedra Shares reflects a market assumption that the Arrangement will be completed.

Cathedra and Sphere will incur costs.

Certain costs related to the Arrangement, such as legal and accounting fees, must be paid by Cathedra and Sphere even if the Arrangement is not completed.

The market price for the Cathedra Shares may decline.

If the Arrangement Resolution is not approved, or even if the Arrangement Resolution is approved, the market price of the Cathedra Shares may decline to the extent that the current market price of the Cathedra Shares reflects a market assumption that the Arrangement will be completed.

Cathedra and Sphere will incur their own expenses going forward.

As a result of the Arrangement, each of Cathedra and Sphere will incur their own general and administrative costs to operate the businesses of Cathedra and Sphere, respectively. These additional costs may negatively impact the financial performance of each of Cathedra and Sphere.

Dissent Rights

There is no mandatory statutory right of dissent and appraisal in respect of plans of arrangement under the BCBCA. However, as contemplated in the Interim Order and the Plan of Arrangement, Cathedra has granted the Dissent Rights to Dissenting Shareholders. The Interim Order provides Registered Cathedra Shareholders with the right to dissent in substantially the same manner as set forth in Sections 237 to 247 of the BCBCA (which provisions have

been duplicated in Appendix "J"). In general, any Registered Cathedra Shareholder who dissents from the Arrangement Resolution in compliance with Sections 237 to 247 of the BCBCA (as modified by the Interim Order) will be entitled, in the event that the Arrangement becomes effective, to be paid by the resulting issuer the fair value of the Cathedra Shares held by such Registered Cathedra Shareholder.

The following summary does not purport to provide comprehensive statements of the procedures to be followed by a Dissenting Shareholder under the BCBCA (as modified by the Interim Order) and reference should be made to the specific provisions of Sections 237 to 247 of the BCBCA, the Plan of Arrangement and the Interim Order. The BCBCA requires strict adherence to the procedures regarding the exercise of rights established therein. The failure to adhere to such Dissent Procedures may result in the loss of all Dissent Rights. Accordingly, each Cathedra Shareholder who wishes to exercise Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA (as modified by the Interim Order) and consult a legal advisor.

The Statutory Provisions: Sections 237 to 247 of the BCBCA

The Interim Order provides that Registered Cathedra Shareholders who dissent from certain actions being taken by Cathedra may exercise a right of dissent and require Cathedra to purchase the Cathedra Shares held by the Dissenting Shareholders at the fair value of the Dissenting Shares.

A Cathedra Shareholder is not entitled to exercise Dissent Rights in respect of the Arrangement Resolution if the Cathedra Shareholder votes any of the Cathedra Shares beneficially held by it in favour of the Arrangement Resolution. A vote against the Arrangement Resolution or a withholding of votes does not constitute a written objection.

A Dissenting Shareholder is required to send, or in the case of a Non-Registered Shareholder, arrange to be sent, a written notice of dissent to Cathedra at least two days before the date of the Meeting. Since the date of the Meeting is May 15, 2026, a notice of dissent must be received by Cathedra no later than 5:00 p.m. (Vancouver time) on May 13, 2026 or two Business Days immediately preceding any date to which the Meeting may be postponed or adjourned. The written notice should be delivered to Cathedra at the address for notice described below. After the Arrangement Resolution is approved by Cathedra Securityholders and within one month after Cathedra notifies the Dissenting Shareholder of Cathedra's intention to act upon the Arrangement Resolution in accordance with Section 243 of the BCBCA, the Dissenting Shareholder must send to Cathedra a written notice that such holder requires the purchase of all of the Cathedra Shares in respect of which such holder has given notice of dissent, together with the share certificate or certificates representing those Cathedra Shares (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by the Cathedra Shareholder on behalf of a beneficial holder) whereupon the Dissenting Shareholder is deemed to have sold and Cathedra is deemed to have purchased those Cathedra Shares.

Any Dissenting Shareholder who has duly complied with Section 244(1) of the BCBCA, or Cathedra, may apply to the Court, and the Court may determine the fair value of the Dissenting Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on Cathedra to apply to the Court. The Dissenting Shareholder will be entitled to receive the fair value that the Dissenting Shares had as of the close of business the day before the approval of the Arrangement Resolution.

Address for Notice

Dissenting Shareholders should send all written objections with respect to the Arrangement Resolution in accordance with Sections 237 to 247 of the BCBCA to:

170-422 Richards Street,
Vancouver, British Columbia
V6B 2Z4
Attention: Joel Block, Chief Executive Officer

A notice of dissent must be received by Cathedra no later than 5:00 p.m. (Vancouver time) on May 13, 2026.

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder. The requirements set out in Sections 237 to 247 of the BCBCA as modified by the Interim Order are complex and technical and failure to comply strictly with them may prejudice the exercise of the Dissent Rights.

Registered Cathedra Shareholders wishing to exercise the Dissent Rights should consult their legal advisers with respect to the legal rights available to them in relation to the Arrangement and the Dissent Rights. Registered Cathedra Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive procedure. A Non-Registered Shareholder who wishes to exercise Dissent Rights must arrange for the Registered Cathedra Shareholder(s) holding its Cathedra Shares to deliver the notice of dissent.

If, as of the Effective Date, the aggregate number of Cathedra Shares in respect of which Cathedra Shareholders have duly and validly exercised Dissent Rights is such that, in the opinion of the Board, completion of the Arrangement would not be in the best interests of Cathedra, Cathedra is entitled, in its discretion, not to complete the Arrangement. See "*Particulars of Matters to be Acted Upon - The Arrangement – The Arrangement Agreement*".

Exchange of Securities

Procedure for Exchange of Shares

The exchange of Cathedra Shares for Sphere Shares in respect of Cathedra Shareholders who are Non-Registered Shareholders is expected to be made with the Non-Registered Shareholders' nominee (bank, trust company, securities broker or other nominee) account through the procedures in place for such purposes between CDS & Co. and such nominee. Non-Registered Shareholders should contact their nominee if they have any questions regarding this process and to arrange for their nominee to complete the necessary steps to ensure that they receive the Sphere Shares.

Concurrent with the mailing of this Information Circular, the Depositary will also mail a Letter of Transmittal to Registered Cathedra Shareholders, which will be used by such shareholders to exchange their certificates representing Cathedra Shares for DRS Advices representing Sphere Shares or a physical certificate for Sphere Shares if the Arrangement is completed. Until exchanged, each certificate representing Cathedra Shares will, after the Effective Time, represent only the right to receive, upon surrender in accordance with the Letter of Transmittal, Sphere Shares.

Former Registered Cathedra Shareholders must deliver to the Depositary: (a) their certificate(s) representing such Cathedra Shares, if any, (b) a duly completed Letter of Transmittal, and (c) such other documents as the Depositary may require, in order to receive the certificates or DRS Advices representing the Sphere Shares to which they are entitled pursuant to the Arrangement.

DRS Advices or a physical certificate, if so requested, for the Sphere Shares of a Registered Cathedra Shareholder who provides the appropriate documentation described above, will be registered in such name or names and will be delivered to such address or addresses as such holder may direct in the Letter of Transmittal as soon as practicable following the Effective Date and after receipt by the Depositary of all of the required documents.

Where Cathedra Shares are evidenced only by a DRS Advice, there is no requirement to first obtain a share certificate for those Cathedra Shares or deposit with the Depositary any Cathedra Share certificate evidencing those Cathedra Shares. Only a properly completed and duly executed Letter of Transmittal accompanied by the applicable DRS

Advice is required to be delivered to the Depositary in order to surrender those Cathedra Shares under the Arrangement.

Lost or Stolen Certificates

If any certificate, that immediately prior to the Effective Time would have represented one or more outstanding Cathedra Shares that are to be exchanged for the Sphere Shares in accordance with the Plan of Arrangement, is lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, together with any required lost certificate bond or similar security, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, the Sphere Shares that such holder is entitled to receive in accordance with the Plan of Arrangement. When authorizing such delivery of Sphere Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such Sphere Shares are to be delivered shall, as a condition precedent to the delivery of such Sphere Shares, deliver to Cathedra, Sphere and the Depositary evidence satisfactory to Cathedra, Sphere and the Depositary of the loss, theft or destruction of such certificate and must give a bond satisfactory to Cathedra, Sphere and the Depositary in such amount as Cathedra, Sphere and the Depositary may direct and indemnify Cathedra, Sphere and the Depositary in a manner satisfactory to Cathedra, Sphere and the Depositary, against any claim that may be made against Cathedra, Sphere or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of Cathedra.

No Fractional Shares to be Issued

No holder of Cathedra Shares shall receive fractional securities of Sphere and no cash will be paid in lieu thereof. Any fractions resulting will be rounded down to the nearest whole number.

Withholding Taxes

Pursuant to the Arrangement Agreement, Sphere and the Depositary are entitled to deduct and withhold from any consideration payable or otherwise deliverable to any person, and from all dividends or other distributions otherwise payable to any former Cathedra Shareholder, such amounts as may be required or permitted under applicable law in respect of taxes. To the extent that such amounts are deducted, withheld and remitted, such amounts shall be treated as having been paid to the applicable person. Sphere and the Depositary are authorized to sell or dispose of such portion of the Consideration Shares as is necessary to provide sufficient funds to comply with such deduction or withholding requirements. Sphere and the Depositary are not obligated to seek or obtain a minimum price for any Consideration Shares so sold or disposed of, nor shall they be liable for any loss arising out of any such sale or disposition. Cathedra Securityholders should consult their own tax advisors regarding the potential application of withholding taxes to their particular circumstances.

Proxy Solicitation Requirements

The solicitation of proxies pursuant to this Information Circular is not subject to the requirements of Section 14(a) of the U.S. Exchange Act, accordingly, this Information Circular has been prepared in accordance with the disclosure requirements of Canadian securities law. Such requirements are different than those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. The financial statements of Cathedra included herein have been prepared in accordance with IFRS, are subject to Canadian auditing and auditor independence standards, and may not be comparable in all respects to financial statements of United States companies.

CERTAIN PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date of this Information Circular, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to Cathedra Shareholders who exchange their Cathedra Shares pursuant to the Arrangement and who, at all material times, for purposes of the Tax Act: (i) hold their Cathedra

Shares and will hold their Sphere Shares (collectively, the "**Subject Securities**") as capital property, and (ii) deal at arm's length, and are not affiliated, with each of Sphere and Cathedra (each, a "**Holder**"). The Subject Securities will generally be considered to be capital property to a Holder provided they are not held in the course of carrying on a business and have not been acquired in a transaction considered to be an adventure or concern in the nature of trade.

This summary does not address the Canadian federal income tax considerations applicable to Cathedra Option holders, Cathedra Warrant holders or Cathedra RSU holders in respect of the Arrangement. Cathedra Option holders, Cathedra Warrant holders or Cathedra RSU holders should consult their own tax advisors regarding the income tax consequences to them in respect of the Arrangement and the matters described in this Information Circular.

This summary is not applicable to a Holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules), (ii) that is a "specified financial institution" (as defined in the Tax Act), (iii) an interest in which is a "tax shelter investment" (as defined in the Tax Act), (iv) that makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act, (v) that has entered or will enter into a "derivative forward agreement" or "synthetic equity arrangement" (each as defined in the Tax Act) in respect of any of the Subject Securities, (vi) that is, or beneficially owns their Cathedra Shares through, a partnership, (vii) that is exempt from tax under Part I of the Tax Act, (viii) that would receive dividends on any of the Subject Securities under or as part of a "dividend rental arrangement" as defined in the Tax Act, or (ix) that is a corporation and is, or becomes as part of a transaction or event or series of transactions or events that include the Arrangement, controlled by a non-resident person or a group of non-resident persons not dealing with each other at arm's length for the purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

This summary is based upon the provisions of the Tax Act in force as at the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes the Tax Proposals will be enacted in the form proposed, although there can be no assurance that the Tax Proposals will be enacted in the form proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in applicable law, whether by legislative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign tax laws or considerations, which might differ significantly from those discussed herein. No advance income tax ruling has been sought or obtained from the CRA to confirm the tax consequences of any of the transactions described herein.

This summary is of a general nature only and is not intended to be, and should not be construed as, legal or tax advice to any particular Holder. This summary is not exhaustive of all possible income tax considerations under the Tax Act that may affect a Holder. The income tax consequences of acquiring and disposing of the Subject Securities will vary depending on a number of factors, including the legal status of the Holder, and the province or territory in which a Holder resides. Accordingly, holders or prospective holders of the Subject Securities should consult their own tax advisors with respect to their particular circumstances and the tax consequences to them of acquiring, holding and disposing of the Subject Securities.

The taxation summary contained in this Information Circular does not address the Canadian federal income tax considerations applicable to any person who becomes a holder of Cathedra Shares after the Effective Date or any person who receives a Sphere Share not pursuant to a Share Exchange (as defined herein) in connection with the Arrangement. Such persons should consult their own tax advisors regarding the income tax consequences to them in respect of the Arrangement and the matters described in this Information Circular.

Holders Resident in Canada

The following portion of the summary is applicable to a Holder who, for purposes of the Tax Act and any applicable income tax treaty or convention, is, or is deemed to be, resident in Canada at all relevant times (a "**Resident Holder**").

Certain Resident Holders whose Subject Securities might not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election under subsection 39(4) of the Tax Act to have the Subject Securities and every "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election, and in all subsequent years, deemed to be capital property. Resident Holders should consult their own tax advisors regarding that election.

Exchange of Cathedra Shares for Sphere Shares

Generally, a Resident Holder that exchanges its Cathedra Shares for Sphere Shares pursuant to the Arrangement (each, a "**Share Exchange**") will be deemed to dispose of its Cathedra Shares for proceeds of disposition equal to the Resident Holder's adjusted cost base of those shares immediately before the Share Exchange and will be deemed to acquire the Sphere Shares at an adjusted cost base equal to such adjusted cost base of its Cathedra Shares. Consequently, a Resident Holder will realize neither a capital gain nor a capital loss pursuant to the Share Exchange.

If the Resident Holder owns any other Sphere Shares at the Effective Time, the cost of each Sphere Share owned by the Resident Holder immediately after the Effective Time will be determined by averaging the cost of the Sphere Shares acquired on the Share Exchange with the adjusted cost base of those other Sphere Shares.

Dissenting Shareholders

A Resident Holder who validly exercises Dissent Rights and consequently receives a payment from Cathedra equal to the fair value of such Resident Holder's Cathedra Shares (each, a "**Dissenting Resident Holder**") will be deemed to receive a taxable dividend in the taxation year equal to the amount, if any, by which the amount received by the Dissenting Resident Holder for its Cathedra Shares (excluding interest) exceeds the "paid-up capital" (as determined for purposes of the Tax Act) ("**PUC**") of such Cathedra Shares determined immediately before the Arrangement. The general tax consequences to a Dissenting Resident Holder that is deemed to receive a dividend are described above under "*Holders Resident in Canada – Taxation of Dividends*".

A Dissenting Resident Holder will also be deemed to have received proceeds of disposition for their Cathedra Shares equal to the amount received by the Dissenting Resident Holder for their Cathedra Shares (excluding interest) less the amount of any dividend deemed to be received as described above. Consequently, a Dissenting Resident Holder will realize a capital gain (or sustain a capital loss) to the extent that such proceeds of disposition exceed (or are less than) the adjusted cost base to such Dissenting Resident Holder of its Cathedra Shares. The general tax consequences to a Dissenting Resident Holder that realizes a capital gain or sustains a capital loss are described above under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Any interest awarded to a Dissenting Resident Holder will be included in such Resident Holder's income for the purposes of and in accordance with the Tax Act. Additional income tax considerations may be relevant to Resident Holders who fail to perfect or withdraw their claims pursuant to the Dissent Rights. **Resident Holders should consult their own tax advisors with respect to the tax consequences to them of exercising Dissent Rights.**

Disposition of Sphere Shares after the Arrangement

A Resident Holder that disposes or is deemed to dispose of a Sphere Share, as the case may be, after the Arrangement (other than a disposition to the relevant issuer corporation that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in the open market) will generally realize a capital gain (or sustain a capital loss) equal to the amount, if any, by which the proceeds of disposition of the Sphere Share exceeds (or is less than) the adjusted cost base to the Resident Holder of such Sphere Share at the

time of disposition, less any reasonable costs of disposition. Any such capital gain or capital loss will be subject to the treatment generally described below under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain realized by a Resident Holder in a taxation year will be included in computing the Resident Holder's income for that taxation year as a "**taxable capital gain**" and, generally, one-half of any capital loss sustained in a taxation year (an "**allowable capital loss**") must be deducted from the taxable capital gains realized by the Resident Holder in the same taxation year, in accordance with the rules contained in the Tax Act. Allowable capital losses in excess of taxable capital gains realized by a Resident Holder in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Resident Holder in such taxation year, subject to and in accordance with the rules contained in the Tax Act.

The amount of any capital loss sustained by a Resident Holder that is a corporation on the disposition of a Sphere Share, as applicable, may be reduced by the amount of any dividends received or deemed to have been received by such Resident Holder on the relevant share (or on a share for which such share was substituted) to the extent and in the circumstances described in the Tax Act. Similar rules may apply where the corporation is a member or beneficiary of a partnership or trust that held the share, or where a partnership or trust of which the corporation is a member or beneficiary is itself a member of a partnership or a beneficiary of a trust that held the share. Resident Holders to whom these rules may apply should consult their own tax advisors in this regard.

A Resident Holder that is, through the relevant taxation year, a "Canadian controlled private corporation" (as defined in the Tax Act) or "substantive CCPC" (as defined in the Notice of Ways and Means Motion to amend the Tax Act released by the Department of Finance Canada on April 7, 2022 in connection with the 2022 Federal Budget) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which includes taxable capital gains, for the year. Resident Holders to whom these rules may apply should consult their own tax advisors in this regard.

Taxation of Dividends

A Resident Holder who is an individual (other than certain trusts) will be required to include in income any dividends received or deemed to be received on the Sphere Shares and will be subject to the dividend gross-up and tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced dividend gross-up and tax credit that may be applicable if and to the extent that Sphere designates the relevant taxable dividend to be an "eligible dividend" in accordance with the Tax Act. There can be no assurance that any dividend paid by Sphere will be designated as an "eligible dividend" and Sphere has not made any commitments in that regard.

A Resident Holder that is a corporation will be required to include in income any dividends received or deemed to be received on the Sphere Shares and will generally be entitled to deduct an equivalent amount in computing its income, subject to certain limitations set forth in the Tax Act and Tax Proposals. A Resident Holder that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) may also be liable under Part IV of the Tax Act to pay a special tax (refundable in certain circumstances) on any dividend received or deemed to be received on the Sphere Shares to the extent that the dividend is deductible in computing the corporation's income for such taxation year.

A Resident Holder that is, throughout the year, a "Canadian-controlled private corporation" (as defined in the Tax Act) or "substantive CCPC" (as defined in the Notice of Ways and Means Motion to amend the Tax Act released by the Department of Finance Canada on April 7, 2022 in connection with the 2022 Federal Budget) may be subject to an additional tax (refundable in certain circumstances) on its "aggregate investment income", which includes dividends that are not deductible in computing taxable income for such taxation year. Subsection 55(2) of the Tax Act provides that, where certain corporate shareholders receive or are deemed to receive a dividend in specified

circumstances, all or part of such dividend may be recharacterized as a capital gain from the disposition of capital property and not as a dividend. For a description of the tax treatment of capital gains and capital losses, see "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*" above. Resident Holders that are corporations should consult their own tax advisors in respect of any dividends received or deemed to be received on the Sphere Shares, having regard to their own circumstances.

Alternative Minimum Tax on Individuals

A Resident Holder who is an individual (including certain trusts) and receives a taxable dividend on, or realizes a capital gain on the disposition of, a share, including a Cathedra Share or Sphere Share, may be liable for minimum tax to the extent and in the circumstances described in the Tax Act. Resident Holders should consult their own tax advisors with respect to the minimum tax provisions.

Holders Not Resident in Canada

The following portion of the summary is applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention: (i) is neither resident in Canada nor deemed to be resident in Canada, (ii) does not and will not, and is not and will not be deemed to, use or hold the Subject Securities in connection with carrying on a business in Canada, (iii) does not carry on an insurance business in Canada, (iv) is not an "authorized foreign bank" (as defined in the Tax Act), (v) is not a "foreign affiliate" (as defined in the Tax Act) of a person resident in Canada, and (vi) is not, and does not deal at non-arm's length with, a "specified shareholder" (as defined in the Tax Act) of Cathedra (each, a "**Non-Resident Holder**"). A "specified shareholder" for these purposes generally includes a person who (either alone or together with persons with whom that person is not dealing at arm's length for the purposes of the Tax Act) owns or has the right to acquire or control 25% or more of Cathedra's shares determined on a votes or fair market value basis. Such Holders should consult their own tax advisors with regard to their particular circumstances.

The following portion of this summary, other than the portion under "*Holders Not Resident in Canada – Dissenting Non-Resident Shareholders*", applies to Non-Resident Holders that are not Dissenting Shareholders.

Exchange of Cathedra Shares for Sphere Shares

Generally, a Non-Resident Holder that exchanges its Cathedra Shares pursuant to the Share Exchange will be deemed to dispose of its Cathedra Shares for proceeds of disposition equal to the Non-Resident Holder's adjusted cost base of those shares immediately before the Share Exchange and will be deemed to acquire the Sphere Shares at an adjusted cost base equal to such adjusted cost base of its Cathedra Shares. Consequently, a Non-Resident Holder will realize neither a capital gain nor a capital loss pursuant to the Share Exchange.

If a Non-Resident Holder owns any other Sphere Shares as capital property at the time of exchange, the adjusted cost base of all Sphere Shares owned by the Non-Resident Holder as capital property immediately after the exchange will be determined by averaging the cost of the Sphere Shares acquired on the exchange with the adjusted cost base of all such other Sphere Shares.

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of its Sphere Shares unless such Sphere Shares are "taxable Canadian property" of the Non-Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention, as discussed below under the heading "*Holders Not Resident in Canada – Capital Gains and Capital Losses*". Where Cathedra Shares are "taxable Canadian property" to a Non-Resident Holder, the Sphere Shares received in exchange for such Cathedra Shares in the Share Exchange will be deemed to be "taxable Canadian property" of the Non-Resident Holder for 60 months after the Share Exchange.

Assuming that the aggregate fair market value of all of the Sphere Shares received by a Non-Resident Holder on a Share Exchange does not exceed the aggregate PUC of all of the Cathedra Shares held by such Non-Resident Holder

immediately before the Share Exchange, the Non-Resident Holder will be deemed to have disposed of its Cathedra Shares for proceeds of disposition equal to the greater of: (i) the adjusted cost base to the Non-Resident Holder of its Cathedra Shares immediately before the Share Exchange, and (ii) the aggregate fair market value at the time of the Share Exchange of the Sphere Shares received by such Non-Resident Holder. Consequently, a Non-Resident Holder that receives Sphere Shares on a Share Exchange will only realize a capital gain on the Share Exchange if, and to the extent that, the aggregate fair market value of the Sphere Shares received by such Non-Resident Holder on the Share Exchange exceeds the adjusted cost base to such Non-Resident Holder of its Cathedra Shares immediately before the Share Exchange.

Dissenting Non-Resident Holders

A Non-Resident Holder who validly exercises Dissent Rights and consequently receives a payment from Cathedra equal to the fair value of such Non-Resident Holder's Cathedra Shares (each, a "**Dissenting Non-Resident Holder**") will be deemed to receive a taxable dividend in the taxation year equal to the amount, if any, by which the amount received by the Dissenting Non-Resident Holder for its Cathedra Shares (excluding interest) exceeds the PUC of such Cathedra Shares determined immediately before the Arrangement. The general tax consequences to a Dissenting Non-Resident Holder that is deemed to receive a dividend are described above under "*Holders Not Resident in Canada – Taxation of Dividends*".

The Dissenting Non-Resident Holder will also be deemed to have received proceeds of disposition for its Cathedra Shares equal to the amount received by the Dissenting Non-Resident Holder for its Cathedra Shares (excluding interest) less the amount of any dividend deemed to be received as described above. Consequently, the Dissenting Non-Resident Holder will recognize a capital gain (or sustain a capital loss) to the extent that such proceeds of disposition exceed (or are less than) the adjusted cost base to such Dissenting Non-Resident Holder of its Cathedra Shares.

A Non-Resident Dissenting Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of its Cathedra Shares unless: (a) such Cathedra Shares constitute "taxable Canadian property" of the Dissenting Non-Resident Holder, and (b) the Dissenting Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention, as discussed above under "*Holders Not Resident in Canada – Exchange of Cathedra Shares for Sphere Shares*".

Any interest awarded to a Dissenting Non-Resident Holder will not be subject to Canadian withholding tax, unless such interest is "participating debt interest" (within the meaning of the Tax Act). Additional income tax considerations may be relevant to Non-Resident Holders who fail to perfect or withdraw their claims pursuant to the Dissent Rights.

Non-Resident Holders should consult their own tax advisors with respect to the tax consequences to them of exercising Dissent Rights.

Taxation of Dividends

A Non-Resident Holder who receives, or is deemed to receive, a dividend on the Sphere Shares will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend, unless that rate is reduced pursuant to the terms of an applicable income tax convention, to which the Non-Resident Holder is entitled to the benefits of, between Canada and another country of which the Non-Resident Holder is resident, as potentially modified by the MLI (as defined below). By way of example, under the *Canada-United States Tax Convention (1980)*, as amended (the "**Convention**"), where dividends are paid or credited to, or in certain circumstances derived by, a Non-Resident Holder who is a resident of the United States for the purposes of, and who is fully entitled to the benefits of, the Convention, the applicable rate of Canadian withholding tax is generally reduced to 15%. Cathedra or Sphere, as the case may be, will be required to withhold and deduct the required amount of withholding tax from the dividend, and to remit such amount to the CRA for the account of the Non-Resident Holder. Non-Resident Holders who may

be eligible for a reduced rate of withholding tax on dividends pursuant to any applicable income tax convention should consult with their own tax advisors in that regard.

Capital Gains and Capital Losses

Generally, Cathedra Shares will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a Share Exchange, unless: (a) the Cathedra Shares constitute "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of the Share Exchange, and (b) the Non-Resident Holder is not entitled to relief under an applicable income tax convention.

Provided that the Cathedra Shares are listed on a "designated stock exchange" (which currently includes Tiers 1 and 2 of the TSXV), the Cathedra Shares disposed of by a Non-Resident Holder pursuant to the Arrangement will not constitute "taxable Canadian property" to a Non-Resident Holder at the time of a Share Exchange unless, at any particular time during the 60-month period immediately preceding the Share Exchange, both: (a) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the Tax Act), partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the Tax Act) holds a membership interest directly or indirectly through one or more partnerships, or any combination thereof owned 25% or more of the issued Cathedra Shares, and (b) more than 50% of the fair market value of the Cathedra Shares was derived directly or indirectly from one or any combination of: (i) real or immovable property situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act) or (iv) an option, an interest or right in such property, whether or not such property exists. The Cathedra Shares may also be deemed to be a taxable Canadian property of a Non-Resident Holder in certain circumstances.

Even if the Cathedra Shares may constitute "taxable Canadian property" for a Non-Resident Holder, such Non-Resident Holder may be exempt from Canadian tax on any capital gain realized on the disposition of such shares by virtue of an applicable income tax treaty or convention to which Canada is a signatory, as potentially modified by the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* ("MLI"), of which Canada is a signatory, which affects many of Canada's bilateral tax treaties and the ability to claim benefits thereunder. **Non-Resident Holders for whom Cathedra Shares may constitute "taxable Canadian property" should consult their own tax advisors in that regard.**

If the Cathedra Shares constitute "taxable Canadian property" of a Non-Resident Holder and such Non-Resident Holder is not eligible for relief pursuant to an applicable income tax treaty or convention, as potentially modified by the MLI, then the disposition of such Non-Resident Holder's Cathedra Shares pursuant to the Arrangement will generally be subject to the same Canadian tax consequences applicable to a Resident Holder with respect to the disposition of Cathedra Shares pursuant to the Arrangement, as discussed above under "*Holders Resident in Canada – Exchange of Cathedra Shares for Sphere Shares*" and "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

The aggregate cost (and adjusted cost base) to a Non-Resident Holder of Sphere Shares acquired on a Share Exchange will be computed in the same manner as described above with respect to a Resident Holder under "*Holders Resident in Canada – Exchange of Cathedra Shares for Sphere Shares*".

Eligibility for Investment

Eligibility for Investment – Sphere Shares

Subject to the provisions of any particular plan, the Sphere Shares will, at the time of their issuance pursuant to the Arrangement, each be a "qualified investment" for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan, a registered education savings plan ("RESP"), a registered disability savings plan ("RDSP") or a tax-free savings account ("TFSA") as those terms are defined in the Tax Act (collectively, "**Registered Plans**") provided that, at such time, the Sphere Shares are listed on

a "designated stock exchange" as defined in the Tax Act (which currently includes Tiers 1 and 2 of the TSXV), or Cathedra is otherwise a "public corporation" as defined in the Tax Act. Management of Cathedra expects that the Sphere Shares will be qualified investments as described above at the time such shares are issued pursuant to the Arrangement.

Notwithstanding the foregoing, there can be no assurance whether the Sphere Shares will continue to be listed and traded on the NASDAQ (or any other "designated stock exchange"). If the Sphere Shares are not listed on a designated stock exchange at the time they are issued pursuant to the Arrangement, but then subsequently become listed on a designated stock exchange on or before the filing due date for Sphere's T2 income tax return for its first taxation year (the "First Tax Return"), Sphere may make an election with the First Tax Return under the Tax Act to have such shares retroactively considered to be qualified investments for Registered Plans from their date of issuance. If a Sphere Share is acquired by a Registered Plan at a time when the Sphere Share is not a (or retroactively deemed to be a) "qualified investment" under the Tax Act, adverse tax consequences may arise for the Registered Plan and/or the annuitant, subscriber or holder in respect of the Registered Plan, including that the Registered Plan may become subject to a penalty tax, the annuitant or holder of such Registered Plan may be deemed to have received income therefrom, and/or such plan may have its tax-exempt status revoked.

In addition to the foregoing, if any of the Sphere Shares, as applicable, is a "prohibited investment" for purposes of the Tax Act for an RRSP, RRIF, RESP, RDSP or TFSA, the annuitant under such RRSP or RRIF, the subscriber of such RESP, or the holder of such RDSP or TFSA, as the case may be, may be subject to a penalty tax under the Tax Act. The Sphere Shares will generally not be a "prohibited investment" for a particular trust governed by an RRSP, RRIF, RESP, RDSP or TFSA if the annuitant, subscriber or holder, as applicable: (i) deals at arm's length with Sphere for purposes of the Tax Act, and (ii) does not have a "significant interest" (within the meaning of the Tax Act) in Sphere or any other corporation that is related to Sphere for purposes of the Tax Act. In addition, the Sphere Shares will not be a "prohibited investment" if such shares are "excluded property" (as defined in the Tax Act) for such RRSP, RRIF, RESP, RDSP or TFSA.

HOLDERS, SUBSCRIBERS, OR ANNUITANTS, AS THE CASE MAY BE, OF REGISTERED PLANS WHICH CURRENTLY HOLD CATHEDRA SHARES AND WILL ACQUIRE SPHERE SHARES PURSUANT TO THE ARRANGEMENT ARE URGED TO CONSULT THEIR OWN TAX ADVISORS HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax considerations relating to the holder of Cathedra Shares and, as a consequence of the Share Exchange of Cathedra Shares for Sphere Shares, ownership and disposition of such Sphere Shares by a U.S. Holder and a Non-U.S. Holder (each as defined below). This summary is based upon the U.S. Tax Code, the Treasury Regulations, judicial authorities, published positions of the IRS, and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations, possibly with retroactive effect. There can be no assurance that the IRS will not challenge any of the tax considerations described in this summary, and Cathedra has not obtained, nor does it intend to obtain, a ruling from the IRS or an opinion from legal counsel with respect to the U.S. federal income tax considerations discussed herein. This summary addresses only certain considerations arising under U.S. federal income tax law, and it does not address the tax on net investment income or the alternative minimum tax, any other federal tax considerations (such as estate or gift taxation, except as described below), or any tax considerations arising under the laws of any state, locality, or non-U.S. taxing jurisdiction. This summary is of a general nature only and does not address all the U.S. federal income tax considerations that may be relevant to a U.S. Holder or Non-U.S. Holder of Cathedra Shares and Sphere Shares in light of such U.S. Holder or Non-U.S. Holder's circumstances.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of Cathedra Shares and Sphere Shares and who is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the United States;

- a corporation (or other entity classified as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) that has validly elected to be treated as a U.S. person for U.S. federal income tax purposes or (ii) the administration over which a U.S. court can exercise primary supervision and all of the substantial decisions of which one or more U.S. persons have the authority to control.

For purposes of this summary, a “Non-U.S. Holder” is a beneficial owner of the Sphere Shares and who is not a U.S. Holder. If a partnership (or other entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds Cathedra Shares and Sphere Shares, the tax treatment of a partner of such partnership generally will depend upon the status of such partner and the activities of the partnership. Partnerships holding Cathedra Shares and Sphere Shares and the partners in such partnerships are urged to consult their own tax advisors regarding the tax consequences relating to the Share Exchange of Cathedra Shares for Sphere Shares and ownership and disposition of Sphere Shares. This summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any particular shareholder. Prospective investors and shareholders are urged to consult their own tax advisors regarding the tax consequences of the Shares Exchange of the Sphere Shares and ownership and disposition of the Sphere Shares in light of their particular circumstances, as well as the tax consequences under state, local, and non-U.S. tax law and the possible effect of changes in tax law.

This summary does not address the U.S. federal income tax considerations applicable to Cathedra Option holders, Cathedra Warrant holders or Cathedra RSU holders in respect of the Arrangement. Cathedra Option holders, Cathedra Warrant holders or Cathedra RSU holders should consult their own tax advisors regarding the income tax consequences to them in respect of the Arrangement and the matters described in this Information Circular.

U.S. Federal Income Taxation of U.S. Holders

The following portion of the summary is applicable to a Holder who, for purposes of the U.S. Tax Code and any applicable income tax treaty or convention, is, or is deemed to be a U.S. Holder.

Certain U.S. Federal Income Tax Considerations of the Arrangement for U.S. Holders of Cathedra Shares

Exchange of Cathedra Shares for Sphere Shares

The Arrangement is intended to qualify as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code (a “**Reorganization**”), and the Arrangement is intended to be a “plan of reorganization” within the meaning under Section 368 of the U.S. Tax Code. Notwithstanding such fact, it is expected that the Combined Company should be respected as a non-U.S. corporation for U.S. federal income tax purposes. Cathedra is currently treated as a U.S. corporation under section 7874 of the U.S. Tax Code.

In such event, special rules contained in Section 367(a) of the U.S. Tax Code and the Treasury Regulation will require that U.S. Holders of Cathedra Share exchanging Cathedra Shares for Sphere Shares pursuant to the Arrangement recognize gain, if any, but not loss on such exchange. The amount of gain recognized will equal the excess, if any, of the fair market value of the Sphere Shares received in the Arrangement over the U.S. Holder’s adjusted tax basis in the Cathedra Shares. Any such gain will be capital gain, and generally will be long-term capital gain if the U.S. Holder’s holding period for the Cathedra Shares exceeded one year at the time of the Cathedra Share exchange. The adjusted tax basis in the Sphere Shares received will be equal to the adjusted tax basis of the Cathedra Shares exchanged therefor, increased by the amount of any gain recognized.

Capital Gains and Capital Losses

In general, and subject to the PFIC rules discussed below, the following U.S. federal income tax consequences should result for U.S. Holders pursuant to the Arrangement:

- a) a U.S. Holder will recognize gain on the Share Exchange of Cathedra Shares for Sphere Shares pursuant to the Arrangement in an amount equal to the excess, if any, of (i) the fair market value of the Sphere Shares received in exchange for the Cathedra Shares and (ii) the adjusted tax basis of such U.S. Holder in the Cathedra Shares surrendered;
- b) the aggregate tax basis of a U.S. Holder in the Sphere Shares acquired in the Arrangement will be equal to the fair market value of such Sphere Shares on the date of receipt; and
- c) the holding period of a U.S. Holder for the Sphere Shares acquired in the Arrangement will begin on the day after the date of receipt.

Any gain or loss described in clause (a) immediately above would be capital gain, which would be long-term capital gain or loss if such Cathedra Shares are held for more than one year on the date of the exchange. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate or trust. There are no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code. Any capital gain recognized by a U.S. Holder will generally be treated as “U.S. source” gain for U.S. foreign tax credit purposes.

For these purposes, U.S. Holders must calculate gain or loss separately for each identified block of Cathedra Shares (that is, the Cathedra Shares acquired at the same cost in a single transaction) surrendered in exchange for Sphere Shares pursuant to the Arrangement.

Exercise of Dissent Rights Pursuant to the Arrangement

Regardless of whether the Arrangement qualifies as a reorganization, a U.S. Holder of Cathedra Shares who exercises Dissent Rights in the Arrangement and is paid cash in exchange for all of its Cathedra Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (i) the United States dollar value of cash received by such U.S. Holder in exchange for Cathedra Shares (other than amounts, if any, that are or are deemed to be interest for U.S. federal income tax purposes, which amounts will be taxed as ordinary income) and (ii) the tax basis of such U.S. Holder in such Cathedra Shares surrendered subject to any applicable adjustments. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder held the Cathedra Shares for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code. Any capital gain or loss recognized by a U.S. Holder will generally be treated as “U.S. source” gain or loss for U.S. foreign tax credit purposes.

Cathedra Securityholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction. This Information Circular does not contain a description of the United States tax consequences of the Arrangement or the ownership of Cathedra Options, Cathedra RSUs, Cathedra Warrants, Replacement Options, Replacement RSUs or Replacement Warrants.

Certain U.S. Federal Income Tax Considerations for U.S. Holders of Sphere Shares pursuant to the Arrangement

PFIC Considerations Related to Ownership and Disposition of Sphere Shares

A U.S. Holder of Sphere Shares would be subject to special, adverse tax rules in respect of the Arrangement if Sphere were classified as a PFIC under the meaning of Section 1297 of the U.S. Tax Code for any tax year during which such U.S. Holder holds or held Sphere Shares.

A non-U.S. corporation is classified as a PFIC for each tax year in which (i) 75% or more of its gross income is passive income (as defined for U.S. federal income tax purposes) (“**PFIC Income Test**”) or (ii) on average for such tax year, 50% or more (by value) of its assets either produce or are held for the production of passive income (“**PFIC Asset Test**”). For purposes of the PFIC provisions, “gross income” generally includes sales revenues less cost of goods sold, plus income from investments and from incidental or outside operations or sources, and “passive income” generally includes dividends, interest, certain royalties and rents, and gains from commodities or securities transactions.

For purposes of the PFIC Income Test and PFIC Asset Test, if Sphere owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, Sphere will be treated as if it (a) held a proportionate share of the assets of such other corporation; and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC Income Test and PFIC Asset Test, “passive income” does not include certain interest, dividends, rents or royalties that are received or accrued by Sphere from certain “related persons” (as defined in Section 954(d)(3) of the U.S. Tax Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

Sphere has advised that it was likely not a PFIC for Sphere's fiscal year ended December 31, 2024 and does not expect to be a PFIC for the tax year ending 2025. No opinion of legal counsel or ruling from the IRS concerning the status of Sphere as a PFIC has been obtained or is currently planned to be requested. U.S. Holders should consult their own tax advisors regarding the classification of Sphere as a PFIC for each tax year in such U.S. Holder's holding period for its Sphere Shares.

Section 1291(f) of the U.S. Tax Code provides that, to the extent provided in U.S. Treasury Regulations, any gain on the transfer of stock in a PFIC shall be recognized notwithstanding any other provision of the U.S. Tax Code. Under proposed U.S. Treasury Regulations, if Sphere is classified as a PFIC for any tax year during which a U.S. Holder has held Sphere Shares, special rules may increase such U.S. Holder's U.S. federal income tax liability with respect to the Arrangement. Under these default PFIC rules:

- a) the Arrangement would be treated as a taxable exchange in which gain (but not loss) would be recognized by a U.S. Holder even if such transaction qualifies as a Reorganization;
- b) any gain on the exchange of Sphere Shares would be allocated rateably over such U.S. Holder's holding period;
- c) the amount allocated to the current tax year and any year prior to the first year in which Sphere was classified as a PFIC would be taxed as ordinary income in the current year;
- d) the amount allocated to each of the other tax years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year; and
- e) an interest charge for a deemed deferral benefit would be imposed with respect to the resulting tax attributable to each of the other tax years referred to in (d) above, which interest charge would generally not be deductible by non-corporate U.S. Holders.

There are certain U.S. federal income tax elections that sometimes can be made to generally mitigate or avoid these PFIC tax consequences if Sphere were to be classified as a PFIC for any tax year during which a U.S. Holder has held

Sphere Shares, including a (“**Mark-to-Market Election**”) under Section 1296 of the U.S. Tax Code or an election to treat Sphere as a “qualified electing fund” under Section 1295 of the U.S. Tax Code (a “**QEF Election**”). However, such QEF Elections are available in limited circumstances, generally would require Sphere to provide certain tax-related information to U.S. Holders and must be made in a timely manner. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Sphere Shares. The rules regarding the availability of, and procedure for making, a QEF Election or a Mark-to-Market Election are complex, and U.S. Holders should consult their own tax advisors regarding the availability of, and procedure for making, such elections.

If Sphere is classified as a PFIC for any year during a U.S. Holder’s holding period, certain potentially adverse rules may affect the U.S. federal income tax consequences to a U.S. Holder as a result of the ownership and disposition of Sphere Shares. No opinion of legal counsel or ruling from the IRS concerning the status of Sphere as a PFIC has been obtained or is currently planned to be requested. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this Information Circular. Accordingly, there can be no assurance that the IRS will not challenge any determination made by Sphere (or any Subsidiary of Sphere) concerning its PFIC status. Each U.S. Holder should consult its own tax advisor regarding the PFIC status of Sphere and each Subsidiary of Sphere.

In any year in which Sphere is classified as a PFIC, a U.S. Holder will generally be required to file an annual report with the IRS containing such information as U.S. Treasury Regulations and/or other IRS guidance may require. In addition to penalties, a failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621.

Under certain attribution rules, if Sphere is a PFIC, U.S. Holders will generally be deemed to own their proportionate share of Sphere’s direct or indirect equity interest in any company that is also a PFIC (a “**Subsidiary PFIC**”), and will generally be subject to U.S. federal income tax on their proportionate shares of (a) any “excess distributions”, as described below, on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC by Sphere or another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. In addition, U.S. Holders may be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC on the sale or disposition of Sphere Shares. Accordingly, U.S. Holders could be subject to tax under the PFIC rules even if no distributions are received and no redemptions or other dispositions of Sphere Shares are made.

Default PFIC Rules Under Section 1291 of the U.S. Tax Code

If Sphere is a PFIC for any tax year during which a U.S. Holder owns Sphere Shares, the U.S. federal income tax consequences to such U.S. Holder of the ownership and disposition of Sphere Shares will depend on whether and when such U.S. Holder makes a QEF Election or a Mark-to-Market Election. A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a “**Non-Electing U.S. Holder**”.

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the U.S. Tax Code (described below) with respect to (a) any gain recognized on the sale or other taxable disposition of Sphere Shares and (b) any “excess distribution” received on the Sphere Shares. A distribution generally will be an “excess distribution” to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a U.S. Holder’s holding period for the Sphere Shares, if shorter).

Any gain recognized on the sale or other taxable disposition of Sphere Shares (including an indirect disposition of the stock of any Subsidiary PFIC), and any “excess distribution” received on Sphere Shares or with respect to the stock of a Subsidiary PFIC, must be rateably allocated to each day in a Non-Electing U.S. Holder’s holding period for the respective Sphere Shares. The amount of any such gain or excess distribution allocated to the tax year of

disposition or excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income (and not eligible for certain preferred tax rates). The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must generally treat any such interest paid as “personal interest”, which is not deductible.

If Sphere is classified as a PFIC for any tax year during which a Non-Electing U.S. Holder holds Sphere Shares, Sphere will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether Sphere ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which would be taxed under the rules of Section 1291 of the U.S. Tax Code discussed above), but not loss, as if such Sphere Shares were sold on the last day of the last tax year for which Sphere was a PFIC.

QEF Election

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which the holding period of its Sphere Shares begins generally will not be subject to the rules of Section 1291 of the U.S. Tax Code discussed above with respect to its Sphere Shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder’s pro rata share of (a) the net capital gain of Sphere, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of Sphere, which will be taxed as ordinary income to such U.S. Holder. Generally, “net capital gain” is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and “ordinary earnings” are the excess of (a) “earnings and profits” over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which Sphere is a PFIC, regardless of whether such amounts are actually distributed to the U.S. Holder by Sphere. However, for any tax year in which Sphere is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, the U.S. Holder may, subject to certain limitations, elect to defer payment of current

U.S. federal income tax on such amounts, subject to an interest charge. If the U.S. Holder is not a corporation, any such interest paid will generally be treated as “personal interest,” which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to Sphere generally (a) may receive a tax-free distribution from Sphere to the extent that such distribution represents “earnings and profits” of Sphere that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder’s tax basis in the Sphere Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Sphere Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as “timely” if such QEF Election is made for the first year in the U.S. Holder’s holding period for the Sphere Shares in which Sphere was a PFIC.

If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder’s holding period for the Sphere Shares, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder meets certain requirements and makes a “purging” election to recognize gain (which will be taxed under the rules of Section 1291 of the U.S. Tax Code discussed above) as if such Sphere Shares were sold for their fair market value on the day the QEF Election is effective. If a U.S. Holder makes an untimely or ineffective QEF Election, then such U.S. Holder will not be subject to the QEF Election rules and will be subject to tax under the rules of Section 1291 of the U.S. Tax Code discussed above with respect to its Sphere Shares. If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election.

If a U.S. Holder makes a QEF Election and, in a subsequent tax year, Sphere ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which Sphere is not a PFIC. Accordingly, if Sphere becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which Sphere qualifies as a PFIC.

For each tax year that Sphere qualifies as a PFIC, Sphere: (a) intends to make publicly available to U.S. Holders, upon their written request, a “PFIC Annual Information Statement” for Sphere as described in U.S. Treasury Regulation Section 1.1295-1(g) (or any successor U.S. Treasury Regulation) and (b) upon written request, intends to use commercially reasonable efforts to provide such additional information that such U.S. Holder is reasonably required to obtain in connection with maintain such QEF Election with regard to Sphere. Sphere may elect to provide such information on Sphere’s website. However, U.S. Holders should be aware that Sphere can provide no assurances that Sphere will provide any such information relating to any Subsidiary PFIC and as a result, a QEF Election may not be available with respect to any Subsidiary PFIC. Because Sphere may own shares in one or more Subsidiary PFICs at any time, U.S. Holders will continue to be subject to the rules discussed above with respect to the taxation of gains and excess distributions with respect to any Subsidiary PFIC for which the U.S. Holders do not obtain such required information. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election with respect to Sphere and any Subsidiary PFIC.

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed United States federal income tax return. However, if Sphere does not provide the required information with regard to Sphere or any of its Subsidiary PFICs, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules of Section 1291 of the U.S. Tax Code discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Sphere Shares are marketable stock. The Sphere Shares generally will be “marketable stock” if the Sphere Shares are regularly traded on (a) a national securities exchange that is registered with the SEC, (b) the national market system established pursuant to Section 11A of the U.S. Exchange Act, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure and surveillance requirements, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange effectively promote active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be “regularly traded” for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Each U.S. Holder should consult its own tax advisor in this matter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Sphere Shares generally will not be subject to the rules of Section 1291 of the U.S. Tax Code discussed above with respect to such Sphere Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder’s holding period for the Sphere Shares for which Sphere is a PFIC and such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the U.S. Tax Code discussed above will apply to certain dispositions of, and distributions on, the Sphere Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which Sphere is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Sphere Shares, as of the close of such tax year over (b) such U.S. Holder’s adjusted tax basis in such Sphere Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such U.S. Holder’s

adjusted tax basis in the Sphere Shares, over (b) the fair market value of such Sphere Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally will adjust such U.S. Holder's tax basis in the Sphere Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Sphere Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years). Losses that exceed this limitation are subject to the rules generally applicable to losses provided in the U.S. Tax Code and U.S. Treasury Regulations.

A U.S. Holder makes a Mark-to-Market Election by attaching a properly completed IRS Form 8621 to a timely filed United States federal income tax return. A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Sphere Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the Sphere Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to avoid the application of the default rules of Section 1291 of the U.S. Tax Code described above with respect to deemed dispositions of Subsidiary PFIC stock or excess distributions from a Subsidiary PFIC to its shareholder.

Other PFIC Rules

Under Section 1291(f) of the U.S. Tax Code, the IRS has issued proposed U.S. Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Sphere Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Sphere Shares are transferred.

Certain additional adverse rules may apply with respect to a U.S. Holder if Sphere is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the U.S. Tax Code, a U.S. Holder that uses Sphere Shares as security for a loan will, except as may be provided in U.S. Treasury Regulations, be treated as having made a taxable disposition of such Sphere Shares.

In addition, a U.S. Holder who acquires Sphere Shares from a decedent will not receive a "step up" in tax basis of such Sphere Shares to fair market value unless such decedent had a timely and effective QEF Election in place.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules related to distributions by a PFIC and their eligibility for the foreign tax credit are complicated.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the ownership and disposition of Sphere Shares.

Taxation of Distributions on Sphere Shares

Subject to the PFIC rules described above, a U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Sphere Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any non-U.S. income tax withheld from such distribution) to the extent

of the current or accumulated “earnings and profits” of Sphere, as computed for U.S. federal income tax purposes. A dividend generally will be taxed to a U.S. Holder at ordinary income rates if Sphere is a PFIC for the tax year of such distribution or the preceding tax year. To the extent that a distribution exceeds the current and accumulated “earnings and profits” of Sphere, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder’s tax basis in the Sphere Shares and thereafter as gain from the sale or exchange of such Sphere Shares (see “*Sale or Other Taxable Disposition of Sphere Shares*” below). Dividends received on Sphere Shares generally will not be eligible for the dividends received deduction. Subject to applicable limitations and provided Sphere is eligible for the benefits of the Convention or the Sphere Shares are readily tradable on a United States securities market, dividends paid by Sphere to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that Sphere not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Sphere Shares

Subject to the PFIC rules described above, a U.S. Holder will recognize gain or loss on the sale or other taxable disposition of Sphere Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder’s tax basis in such Sphere Shares sold or otherwise disposed of. Any such gain or loss will be capital gain or loss, which will be long-term capital gain or loss if, at the time of the sale or other disposition, such Sphere Shares are held for more than one year.

Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate or trust. There are no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the U.S. Tax Code.

Additional Considerations

Foreign Tax Credit

Dividends paid on the Sphere Shares will be treated as foreign-source income for U.S. foreign tax credit purposes. Any gain or loss recognized on a taxable sale or other disposition of Sphere Shares or Cathedra Shares generally will be United States source gain or loss. Certain U.S. Holders that are eligible for the benefits of the Convention may elect to treat such gain or loss as Canadian source gain or loss for U.S. foreign tax credit purposes. The U.S. Tax Code applies various complex limitations on the amount of foreign taxes that may be claimed as a result by U.S. taxpayers. In addition, U.S. Treasury Regulations that apply to taxes paid or accrued (the “**Foreign Tax Credit Regulations**”) impose additional requirements for Canadian withholding taxes to be eligible for a foreign tax credit, and there can be no assurance that those requirements will be satisfied. The Treasury Department has recently released guidance temporarily pausing the application of certain of the Foreign Tax Credit Regulations.

Subject to the PFIC rules and the Foreign Tax Credit Regulations discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on Sphere Shares or the sale or other disposition of Sphere Shares or Cathedra Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax. Generally, a credit will reduce a U.S. Holder’s U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder’s income that is subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year. The foreign tax credit rules are complex, and involve the application of rules that depend on a U.S. Holder’s particular circumstances. Accordingly, each U.S. Holder should consult its own U.S. tax advisors regarding the foreign tax credit rules.

Receipt Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of Sphere Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning and disposing of foreign currency.

Information Reporting; Backup Withholding Tax

Under the U.S. Tax Code and U.S. Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. Person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. Person and any interest in a non-U.S. entity. U.S. Holders may be subject to these reporting requirements unless their Sphere Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the U.S. or by a U.S. payor or U.S. middleman of (a) distributions on the Sphere Shares, (b) proceeds arising from the sale or other taxable disposition of Sphere Shares, or (c) any payments received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights under the Arrangement) will generally be subject to information reporting and backup withholding tax, currently, at the rate of 24%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

No U.S. Legal Opinion or IRS Ruling

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Transaction. Shareholders who are subject to U.S. taxation should consult with their own professional advisers with regard to the Transaction's U.S. tax implications.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS WITH RESPECT TO THE ARRANGEMENT AND THE OWNERSHIP AND DISPOSITION OF SPHERE SHARES RECEIVED PURSUANT TO THE ARRANGEMENT. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca. Cathedra Securityholders may contact the Company at its office at 422 Richards Street, Unit 170, Vancouver, BC V6B 2Z4 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative audited consolidated financial statements and MD&A for its most recently completed financial year ended December 31, 2025, which are filed on SEDAR+.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

DATED at Vancouver, British Columbia this 2nd day of April, 2026.

APPROVED BY THE BOARD OF DIRECTORS

(Signed) "Joel Block"

Joel Block

Chief Executive Officer

APPENDIX "A"
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Section 288 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") involving Cathedra Bitcoin Inc. (the "**Company**"), as more particularly described and set forth in the management information circular (the "**Circular**") of the Company dated April 2, 2026, accompanying the notice of this meeting (as the Arrangement may be amended, modified or supplemented in accordance with its terms), is hereby authorized, approved and adopted.
2. The plan of arrangement (the "**Plan of Arrangement**") involving the Company (as it has been or may be amended, modified or supplemented in accordance with its terms) and the implementation of the Arrangement, the full text of which is set out in Schedule "A" to the Arrangement Agreement, is hereby authorized, approved and adopted.
3. The (i) arrangement agreement dated as of March 5, 2026 between Sphere 3D Corp., the Company and S3D Acquisition Corp. (the "**Arrangement Agreement**") and related transactions, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.
4. The Company be and is hereby authorized to apply for a final order (the "**Final Order**") from the Supreme Court of British Columbia to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular).
5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the shareholders of the Company, (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.
6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver for filing with the Registrar under the BCBCA such documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement and the Final Order, such determination to be conclusively evidenced by the execution and delivery of such documents.
7. Any one officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX "B"
ARRANGEMENT AGREEMENT AND PLAN OF ARRANGEMENT

SPHERE 3D CORP.

- and -

CATHEDRA BITCOIN INC.

- and -

S3D ACQUISITION CORP.

ARRANGEMENT AGREEMENT

March 5, 2026

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT made as of the 5th day of March, 2026

B E T W E E N:

SPHERE 3D CORP., a company existing under the laws of the Province of Ontario,
("Sphere")

AND:

CATHEDRA BITCOIN INC., a company existing under the laws of the Province of British Columbia,
("Cathedral")

AND:

S3D ACQUISITION CORP., a company existing under the laws of the Province of British Columbia,
("Amalco Sub")

WITNESSES THAT WHEREAS:

- A. Sphere and Cathedral have agreed to enter into a business combination pursuant to which Sphere will acquire all of the Cathedral Shares in exchange for Sphere Common Shares to be completed under a plan of arrangement pursuant to Section 288 of the *Business Corporation Act* (British Columbia), subject to the terms and conditions of this Agreement;
- B. Amalco Sub is a wholly-owned, direct Subsidiary of Sphere, and was formed for the sole purpose of consummating the transactions contemplated by this Agreement;
- C. The Cathedral Board has determined, after receiving financial and legal advice, that the Consideration Shares to be received by the Cathedral Shareholders are fair from a financial point of view and that the Arrangement is in the best interests of Cathedral, and the Cathedral Board has resolved to recommend that the Cathedral Shareholders vote in favour of the Arrangement Resolution, all subject to the terms and conditions contained in this Agreement;
- D. The Sphere Board has determined, after receiving financial and legal advice, that that the Arrangement is fair from a financial point of view and that the Arrangement is in the best interests of Sphere, and the Sphere Board has resolved to recommend that the Sphere Shareholders vote in favour of the Sphere Resolution, all subject to the terms and conditions contained in this Agreement;
- E. each of the directors, senior officers and certain securityholders of Cathedral have entered into the Cathedral Support Agreement in favour of Sphere pursuant to which the Cathedral Locked-up Shareholders have agreed to vote any securities of Cathedral over which they exercise control or direction in favour of the Arrangement Resolution; and
- F. each of the directors and senior officers of Sphere have entered into the Sphere Support Agreement in favour of Cathedral pursuant to which the Sphere Locked-up Shareholders have agreed to vote any securities of Sphere over which they exercise control or direction in favour of the Sphere Resolution.

NOW THEREFORE in consideration of the mutual premises and the respective covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and in the recitals hereto, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings hereinafter set out:

“Accelerated Cathedra RSUs” means the outstanding Cathedra RSUs that will fully vest immediately prior to the Effective Time in accordance with their terms;

“Acquisition Proposal” means, with respect to a Party, other than the transactions contemplated by this Agreement and other than any transaction involving only a Party and/or one or more of its wholly-owned Subsidiaries, any offer, proposal, expression of interest or inquiry from any person or group of persons “acting jointly or in concert” (within the meaning of National Instrument 62-104 – *Take Over Bids and Issuer Bids*), whether or not in writing and whether or not delivered to the shareholders of a Party, after the date hereof relating to: (a) any acquisition or sale, direct or indirect, through one or more transactions, of: (i) the assets of that Party and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of that Party and its Subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of a Party and its Subsidiaries, taken as a whole, or (ii) 20% or more of the issued and outstanding voting or equity securities or any securities exchangeable for or convertible into voting or equity securities of that Party or any one or more of its Subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the fair market value of the consolidated assets of that Party and its Subsidiaries, taken as a whole; (b) any take-over bid, tender offer, exchange offer or other transaction that, if consummated, would result in such person or group of persons beneficially owning 20% or more of the issued and outstanding voting or equity securities of any class of voting or equity securities of that Party; (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, joint venture, partnership, liquidation, dissolution or other similar transaction involving that Party or any of its Subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20% or more of the consolidated assets or revenues, as applicable, of that Party and its Subsidiaries, taken as a whole; (d) any other similar transaction or series of transactions similar to those referred to in paragraphs (a) through (c) above, involving a Party or any of its Subsidiaries. For the purposes of the definition of **“Superior Proposal”**, reference in this definition of Acquisition Proposal to “20%” shall be deemed to be replaced by “100%”;

“Act” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time;

“Amalco Sub” means S3D Acquisition Corp.;

“Applicable Securities Laws” means such of the Canadian Securities Laws and the U.S. Securities Laws as are applicable to a transaction or a person;

“Arrangement” means the arrangement of Cathedra under section 288 of the Act, on the terms and subject to the conditions described in the Plan of Arrangement, subject to any amendments or variations made thereto in accordance with this Agreement, the applicable provisions of the Plan of

Arrangement or made at the direction of the Court in the Final Order with the consent of Sphere and Cathedra, each acting reasonably;

“Arrangement Resolution” means the special resolution of each class of the Cathedra Shareholders approving the Plan of Arrangement to be considered by the Cathedra Shareholders at the Cathedra Meeting, substantially in the form set out in Schedule “B” to this Agreement;

“ATM Agreement” means that certain Sales Agreement, dated as of January 3, 2025, by and between Sphere and A.G.P./Alliance Global Partners;

“Board” means in respect of any Party, its board of directors;

“Business Day” means a day which is not a Saturday, Sunday or a civic or statutory holiday in the Provinces of British Columbia and Ontario or in the State of New York, on which banks are open for business in the Cities of Vancouver, Toronto and New York;

“Canadian Securities Authorities” means the British Columbia Securities Commission and any other applicable securities commissions and securities regulatory authority of a province or territory of Canada;

“Canadian Securities Laws” means: (a) the *Securities Act* (British Columbia) and the equivalent legislation in each Province and Territory of Canada; (b) the rules, regulations, instruments and policies adopted by the securities regulatory authority of any Province or Territory of Canada, as amended from time to time; and (c) the policies of the TSXV, each as amended from time to time;

“Cathedra” means Cathedra Bitcoin Inc.;

“Cathedra Assets” means all of Cathedra’s right, title, estate and interest in and to its property and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, including, without limitation, the assets as more particularly set forth and described in the Cathedra Financial Statements;

“Cathedra Board” means the Board of Cathedra;

“Cathedra CAPEX Cap” has the meaning ascribed thereto in Subsection 5.1(c)(ix);

“Cathedra Circular” means the notice of the Cathedra Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Cathedra Shareholders in connection with the Cathedra Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement;

“Cathedra Closing Payments” means the payments contemplated by the agreements set forth in Schedule 3.1(q)(iv) and Schedule 3.1(mm) of the Cathedra Disclosure Letter;

“Cathedra Disclosure Letter” means the disclosure letter dated the date hereof executed by Cathedra and delivered to Sphere;

“Cathedra Fairness Opinion” means an oral opinion to be subsequently confirmed in writing from Evans & Evans, Inc. that, as of the date of such opinion and subject to the assumptions, limitations and qualifications set out therein, the Consideration Shares to be received by Cathedra Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Cathedra Shareholders;

“Cathedra Financial Statements” has the meaning ascribed thereto in Subsection 3.1(f);

“Cathedra Intellectual Property” means all Intellectual Property used in the ordinary course of business of Cathedra, including but not limited to the Intellectual Property listed in Schedule 3.1(t)(i) of the Cathedra Disclosure Letter;

“Cathedra Material Contracts” means any contract, agreement, license, lease, arrangement or commitment to which Cathedra or any Cathedra Subsidiary is a party or otherwise bound that: (a) provides for obligations or entitlements of Cathedra and/or the Cathedra Subsidiaries exceeding \$50,000 in any year; (b) whose termination would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Cathedra; (c) expressly limiting or restricting the ability of Cathedra or any Cathedra Subsidiary to compete in, solicit in respect of, or otherwise to conduct, their respective businesses or operations in any geographic area or during any period of time; (d) contains any right of first refusal or first offer or similar right or that limits in any material respect the ability of Cathedra or any Cathedra Subsidiary to own, operate, sell, pledge or otherwise dispose of material assets, property or the business of Cathedra or such Cathedra Subsidiary; (e) is a financial risk management contract, such as currency, commodity or interest related hedge contracts; (f) provides for the termination, acceleration of payment or other special rights upon the occurrence of a change in control of Cathedra; (g) is a shareholder, joint venture or partnership agreement; or (h) is with an affiliate of Cathedra or any other person with whom Cathedra does not deal at arm’s length within the meaning of the Income Tax Act, other than a contract between a contract between Cathedra and a wholly-owned Subsidiary of Cathedra or between two or more wholly-owned Subsidiaries of Cathedra;

“Cathedra Locked-up Shareholders” means each of the directors and senior officers of Cathedra and any other person that signs a Cathedra Support Agreement;

“Cathedra LTIP” means Cathedra’s long term incentive plan as approved by the Cathedra Board on June 18, 2024;

“Cathedra Meeting” means the annual general and special meeting of the Cathedra Shareholders, including any adjournment or adjournments thereof, to be held pursuant to the Interim Order for the purpose of considering and, if thought fit, approving the Arrangement Resolution and for any other purpose as may be set out in the Cathedra Circular;

“Cathedra MV Shares” means the multiple voting shares in the authorized capital of Cathedra;

“Cathedra Optionholders” means the holders from time to time of Cathedra Options;

“Cathedra Options” means options to acquire Cathedra SV Shares granted under the Cathedra LTIP;

“Cathedra Permitted Encumbrances” means those security interests charging the Cathedra Assets as set forth in the Cathedra Financial Statements and as more specifically set forth in Schedule 1.1(b) of the Cathedra Disclosure Letter;

“Cathedra Public Record” means all information, documents, materials and filings relating to Cathedra that have been filed by or on behalf of Cathedra and publicly disseminated through the System for Electronic Document Analysis and Retrieval (SEDAR+), together with any documents incorporated by reference therein, in each case as filed and publicly available as of the date hereof;

“Cathedra RSU holders” means the holders from time to time of Cathedra RSUs;

“Cathedra RSUs” means restricted share units to acquire Cathedra SV Shares granted under the Cathedra LTIP;

“Cathedra Securityholders” means, collectively, the Cathedra Shareholders and holders of Cathedra Options, Cathedra Warrants and Cathedra RSUs;

“Cathedra Shareholder Approval” has the meaning ascribed thereto in Subsection 2.2(c);

“Cathedra Shareholders” means the holders from time to time of Cathedra Shares;

“Cathedra Shares” means the Cathedra SV Shares and the Cathedra MV Shares;

“Cathedral Subsidiaries” means, together, Fortress Blockchain Holdings Corp., Fortress Blockchain (US) Holdings Corp., Cathedral Lease Co. LLC, Kungsleden, Inc., North Campbell HoldCo LLC, North Campbell LandCo LLC, North Campbell HostCo LLC, Sentinel Technology, LLC, Churchill Technologies LLC, Two Key Technologies LLC, Crystal Core LLC, Buckeye Technologies HoldCo LLC, Buckeye Technologies OpCo LLC, HPC Holdings LLC and Buckeye HPC LLC;

“Cathedral Superior Proposal” means any unsolicited bona fide written Acquisition Proposal from a person or persons who is or are, as at the date of this Agreement, a party that deals at arm’s length with Cathedral, that is not obtained in violation of this Agreement, to acquire 100% of the outstanding Cathedral Shares (other than Cathedral Shares beneficially owned by the person or persons making such Acquisition Proposal) or all or substantially all of the assets of Cathedral and its Subsidiaries on a consolidated basis made after the date of this Agreement: (a) that is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the person or persons making such Acquisition Proposal; (b) that is not subject to any financing condition and in respect of which it has been demonstrated to the satisfaction of the Cathedral Board that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal; (c) that is not subject to any due diligence condition; and (d) in the event that Cathedral does not have the financial resources to pay the Termination Fee, the terms of such Acquisition Proposal provide that the person making such Superior Proposal shall advance or otherwise provide Cathedral the cash required for Cathedral to pay the Termination Fee and such amount shall be advanced or provided on or before such Termination Fee becomes payable; and (e) in respect of which, the Cathedral Board determines, in its good faith judgment, after receiving the advice of its financial and legal advisors and after taking into account all the terms and conditions of such Acquisition Proposal and all factors and matters considered appropriate in good faith by the Cathedral Board, that it would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to Cathedral Shareholders, than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by Sphere pursuant to Subsection 7.2(b));

“Cathedral Support Agreements” means the voting support agreements dated as of the date hereof in the form provided to Cathedral and duly executed by Cathedral, Sphere and each of the Cathedral Locked-up Shareholders;

“Cathedral SV Shares” means the subordinate voting shares in the authorized capital of Cathedral;

“Cathedral Warrantholders” means the holders from time to time of Cathedral Warrants;

“Cathedral Warrants” means warrants to acquire Cathedral SV Shares;

“Change in Recommendation” means the circumstances where, prior to Cathedral having obtained the Cathedral Shareholder Approval or Sphere having obtained the Sphere Shareholder Approval, as applicable, the Board of a Party (a) fails to unanimously recommend or withdraws, amends, modifies, qualifies, or changes in a manner adverse to the other Party, or publicly proposes to or publicly state that it intends to withdraw, amend, modify, qualify or change in a manner adverse to the other Party, its approval or recommendation of the Arrangement; (b) fails to approve or recommend or reaffirm its approval or recommendation of the Arrangement within three (3) Business Days (and in any case prior to the Cathedral Meeting and the Sphere Meeting) after having been requested in writing by such other Party to do so; or (c) in the event of a publicly announced Acquisition Proposal, fails to approve or recommend or reaffirm its approval or recommendation of the Arrangement within five (5) Business Days after any such announcement of an Acquisition Proposal (it being understood that the taking of a neutral position or no position with respect to an Acquisition Proposal beyond a period of five (5) Business Days after any such announcement of an Acquisition Proposal (or beyond the

date which is one day prior to the Cathedra Meeting and the Sphere Meeting, if sooner) shall be considered an adverse modification);

“Closing Payments” means, collectively, all amounts, payments, compensation, consideration, fees, costs, expenses, liabilities and other obligations of any kind (whether in cash, securities, digital assets or other property) that are paid, payable, accrued, triggered, accelerated, assumed or required to be paid by Cathedra or any of its Subsidiaries or Sphere or any of its Subsidiaries as a result of, in connection with, or upon the consummation of the Arrangement or any of the transactions contemplated hereby, whether payable at or following the Effective Time, including, without limitation:

- (a) severance, termination, retention, bonus, incentive, commission, transaction, success or change-of-control payments or benefits (including any gross-ups, whether payable pursuant to Section 280G of the U.S. Internal Revenue Code or otherwise) payable to any current or former directors, officers, employees or consultants;
- (b) any amounts triggered or accelerated under any employment, consulting, equity compensation, incentive, pension, benefit, severance, deferred compensation, change-of-control or similar plan, agreement or arrangement;
- (c) any fees, expenses, break fees, consent fees, penalties or make-whole amounts payable to any third party in connection with the Arrangement or the termination, amendment or acceleration of any contract, agreement or commitment; and
- (d) any employer payroll, withholding, sales, excise or similar Taxes arising in connection with any of the foregoing.

“Confidentiality Agreement” means the confidentiality agreement between Sphere and Cathedra dated August 3, 2023;

“Consideration Securities” means, collectively, the Consideration Shares, the Replacement Warrants, the Replacement Options and the Replacement RSUs;

“Consideration Shares” means the Sphere Common Shares and the Sphere Series I Shares to be issued in exchange for Cathedra Shares and the Accelerated Cathedra RSUs pursuant to the Arrangement;

“Corrupt Practices Legislation” has the meaning ascribed thereto in Subsection 3.1(ii);

“Court” means the Supreme Court of British Columbia;

“Depository” means any trust company, bank or financial institution agreed to in writing between Sphere and Cathedra for the purpose of, among other things, exchanging certificates representing Cathedra Shares for certificates representing Consideration Shares in connection with the Arrangement;

“Depository Agreement” means a depository agreement to be dated on or prior to the Effective Date between Sphere, Cathedra, and the Depository, pursuant to which the Depository agrees to act in the capacity of the Depository for the purposes of the Plan of Arrangement, and to undertake the actions of the Depository provided for therein;

“Director Nominees” has the meaning ascribed thereto in Section 2.18;

“Dissent Rights” means the rights of dissent exercisable by the Cathedra Shareholders in respect of the Arrangement described in the Plan of Arrangement;

“Effective Date” has the meaning ascribed thereto in Section 2.11;

“Effective Time” means the time on the Effective Date when the Arrangement will be deemed to be completed as may be agreed to by the Parties and as denoted on the filings with the Registrar, to the extent that such filings are required;

“Employee Plan” means any:

- (a) pension, retirement, deferred compensation, registered retirement savings plan, savings, profit-sharing, stock option, stock purchase, bonus, incentive, vacation pay, severance pay, supplemental unemployment benefit, employee assistance, death benefit or other employee or post-retirement benefit plan, trust, arrangement, contract, agreement, policy or commitment (including any arrangement to provide pension benefits in excess of the maximum amounts which are allowed under the Income Tax Act to be provided through a registered pension plan) from which current or former employees or consultants of a Party or any of its Subsidiaries (or their affiliates), in Canada or any other country, benefit or have the potential to benefit; or
- (b) group or individual insurance policy or coverage (including self-insured coverage) for accident and sickness or life insurance (including any individual insurance policy under which any employee or former employee of a Party or any of its Subsidiaries is the named insured and as to which a Party or any of its Subsidiaries makes premium payments, whether or not the Party or any of its Subsidiaries is the owner, beneficiary or both of that policy), or other insured or covered expense reimbursement coverage, from which current or former employees or consultants of a Party or any of its Subsidiaries (or their affiliates), in Canada or any other country, benefit or have the potential to benefit,

which is intended to provide or does provide benefits to any or all current or former employees or consultants of a Party or any of its Subsidiaries (or their affiliates), and to which a Party or any of its Subsidiaries is a party or by which a Party or any of its Subsidiaries (or any of the rights, properties or assets of a Party or any of its Subsidiaries) is bound, or with respect to which a Party or any of its Subsidiaries has any liability or potential liability, whether or not any of the foregoing is funded or unfunded, written or oral, formal or informal, and whether or not a Party or any of its Subsidiaries still maintains such plan, trust, arrangement, contract, agreement, policy or commitment

“Encumbrance” means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, adverse rights or claims, other third-party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“Environment” includes the air (including all layers of the atmosphere), land (including soil, sediment deposited on land, fill, and lands submerged under water), and water (including oceans, lakes, rivers, streams, groundwater, and surface water);

“Environmental Laws” means all Laws relating in any way to the Environment, environmental assessment, health, occupational health and safety, or the use, purchase, storage, treatment, transportation or disposal of Hazardous Substances;

“Final Order” means the final order of the Court under Section 291 of the Act, in a form acceptable to the Parties, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of the Parties, each acting reasonably) at any time prior to the Effective

Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such that any such amendment is acceptable to the Parties, each acting reasonably) on appeal;

“FINRA” means Financial Industry Regulatory Authority;

“GAAP” means the generally accepted accounting principles in the United States;

“Governmental Authority” means any (a) multinational, federal, provincial, state, county, regional, municipal, local or other government, governmental or public department or ministry, central bank, court, tribunal, arbitral body, commission, commissioner, stock exchange, board, official, minister, bureau or agency, whether domestic or foreign; (b) subdivision, agent or representative of any of the foregoing; or (c) quasi-governmental or private body exercising any administrative, regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“Hazardous Substances” means, collectively, any contaminant, toxic substance, dangerous goods, or pollutant or any other substance that when Released to the natural Environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health, including (a) any petroleum substances, radioactive materials, asbestos, urea formaldehyde foam insulation, transformers or other equipment that contains dielectric fluid containing polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined under Environmental Laws as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “restricted hazardous materials”, “extremely hazardous substances”, “toxic substances”, “contaminants” or “pollutants” or words of similar meaning and regulatory effect; or (c) any other chemical, material or substance, exposure to which is prohibited, limited, or regulated by any Environmental Law;

“IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board, applied on a consistent basis;

“Income Tax Act” means the *Income Tax Act* (Canada) and the regulations made thereunder, as amended;

“Intellectual Property” means all domestic and foreign (a) inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto and all patents, patent applications, patent disclosures and industrial designs, together with all reissues, continuations, continuations-in-part, revisions, extensions and re-examinations thereof, (b) trademarks, service marks, trade dress, trading styles, logos, trade names and business names, together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith, (c) copyrightable works, copyrights and applications, registrations and renewals in connection therewith, (d) trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals), (e) computer systems, software, data and related documentation, (f) other proprietary rights, (g) right, title and interest as licensee or authorized user of any of the aforementioned intellectual property, and (h) copies and tangible embodiments thereof in whatever form or medium whether now known or hereafter developed;

“Interim Order” means the interim order of the Court to be issued following the application therefor contemplated by Section 2.2, in a form acceptable to the Parties, each acting reasonably, and containing declarations and directions with respect to the Arrangement and providing for, among

other things, the calling and holding of the Cathedra Meeting, as such order may be amended, modified, supplemented or varied by the Court (provided that any such amendment, modification, supplement or variation is acceptable to the Parties, each acting reasonably);

"Internal Revenue Code" means the United States *Internal Revenue Code of 1986*, and the regulations promulgated thereunder, as now in effect and as they may be promulgated or amended from time to time;

"Law" or "Laws" means all:

- (a) laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies or guidelines of any Governmental Authority;
- (b) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, decrees or awards, including general principles of common and civil law; and
- (c) terms and conditions of any grant of approval, permission, authority or licence of any Governmental Authority,

domestic or foreign, and the term **"Applicable"** with respect to such Laws and in a context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property, assets or securities and emanate from a Governmental Authority having jurisdiction over the person or persons or its or their business, undertaking, property, assets or securities;

"Management Member Employment Agreement" means the employment agreements to be entered into between Joel Block and Sphere on the Effective Date;

"Management Members" means Joel Block, as Chief Executive Officer of Sphere effective as at the Effective Time, Kurt Kalbfleisch, as Chief Financial Officer of Sphere effective as at the Effective Time, and Tiah Reppas, as Chief Accounting Officer of Sphere effective as at the Effective Time;

"Material Adverse Change" means, in respect of any Party, any one or more changes, events or occurrences, and **"Material Adverse Effect"** means, in respect of any Party, any one or more changes, effects, events or occurrences, which, in either case, either individually or in the aggregate, is or would reasonably be expected to be material and adverse to the business, operations, results of operations or financial condition of that Party and its Subsidiaries, on a consolidated basis, or that would prevent or materially impede the completion of the Arrangement, except any change, effect, event or occurrence resulting from or relating to: (a) the public announcement of the execution of this Agreement or the transactions contemplated hereby or the performance of any obligation hereunder or, in the case of Cathedra, communication by Sphere of its plans or intentions with respect to Cathedra and/or any of its Subsidiaries; (b) any change in Applicable Laws or in the interpretation thereof by any Governmental Authority (other than orders, judgments or decrees against the Party and its Subsidiaries) or in IFRS or GAAP; (c) any natural disaster; (d) conditions affecting the cryptocurrency mining industry generally or the price of bitcoin or other relevant cryptocurrencies; (e) general economic, financial, currency exchange, securities or commodity market conditions, including the imposition of U.S. tariffs on imports from Canada as well as retaliatory tariffs on U.S. exports by Canada; (f) any act of terrorism, outbreak or escalation of hostilities or armed conflict, epidemic, pandemic, public health emergency, or the imposition of any quarantine, shelter-in-place, travel restriction, or similar governmental or regulatory order related thereto; or (g) any change in the market price of the Cathedra SV Shares or the Sphere Common Shares, as applicable, (it being understood, without limiting the applicability of paragraphs (a) to (g), that the cause or causes of any such change in the market price of the Cathedra SV Shares or the

Sphere Common Shares may constitute, in and of itself, a Material Adverse Change or Material Adverse Effect and may be taken into account in determining whether a Material Adverse Change or Material Adverse Effect has occurred), provided further that any change, effect, event or occurrence referred to in paragraphs (b) to (f) does not relate primarily only to (or have the effect of relating primarily only to) such Party or have a materially disproportionate effect on such Party and its Subsidiaries (on a consolidated basis) relative to comparable cryptocurrency mining companies; and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a "Material Adverse Effect" or a "Material Adverse Change" has occurred;

"material fact" has the meaning attributed to such phrase in the *Securities Act* (British Columbia);

"MI 61-101" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"Money Laundering Laws" has the meaning ascribed thereto in Subsection 3.1(jj);

"MVS Exchange Ratio" means 12.3014:1, representing 12.3014 Sphere Common Shares for each Cathedra MV Share;

"NASDAQ" means the Nasdaq Capital Market;

"Outside Date" means September 30, 2026;

"Parties" means Cathedra, Sphere and Amalco Sub, and any other person who becomes a party to this Agreement, and **"Party"** means any of them;

"Permitted Expenditures" means expenditures (including, without limitation, disbursements of cash and dispositions or uses of digital assets, including cryptocurrencies) (i) in the ordinary course of business consistent with past practice, (ii) to pay Transaction Expenses or (iii) to pay the Cathedra Closing Payments or the Sphere Closing Payments, as applicable;

"person" is to be construed generally and includes any natural person, partnership, limited partnership, limited liability partnership, estate, body corporate, limited liability company, unlimited liability company, joint stock company, trust, estate, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;

"Plan of Arrangement" means the plan of arrangement substantially in the form and content annexed as Schedule "A" to this Agreement as from time to time amended, supplemented or restated in accordance with this Agreement, the Plan of Arrangement or at the direction of the Court in the Final Order with the consent of the Parties, each acting reasonably;

"Preferred Shares" means the preferred shares of Sphere, issuable in series;

"Principal Holders" means Joel Block, Thomas Masiero and Jialin "Gavin" Qu;

"Registrar" means the "registrar" as defined in the Act;

"Regulatory Approvals" means any consent, waiver, permit, exemption, review, order, decision, non-objection or approval of, or any registration, licence and filing with, any Governmental Authority, NASDAQ, FINRA and the TSXV, or the expiry, waiver or termination of any waiting period imposed by Applicable Law or a Governmental Authority, NASDAQ, FINRA and the TSXV, in each case required in relation to the transactions contemplated by this Agreement;

"Release" means any release, spill, leak, discharge, abandonment, disposal, pumping, pouring, emitting, emptying, injecting, leaching, dumping, depositing, dispersing, passive migration, or allowing to escape or migrate into or through the environment (including ambient air, surface water,

ground water, land surface and subsurface strata or within any building, structure, facility or fixture) of any Hazardous Substance, including the abandonment or discarding of Hazardous Substances in barrels, drums, tanks or other containers, regardless of when discovered;

"Replacement Options" means options to acquire Sphere Common Shares that will be granted by Sphere to holders of Cathedra Options pursuant to the Arrangement;

"Replacement RSUs" means restricted share units to acquire Sphere Common Shares that will be granted by Sphere to certain holders of Cathedra RSUs pursuant to the Arrangement;

"Replacement Warrants" means Warrants to acquire Sphere Common Shares that will be issued by Sphere to the holders of Cathedra Warrants pursuant to the Arrangement;

"Representatives" means, collectively, the directors, officers, employees, counsel, accountants, financial advisors, consultants, agents and other authorized representatives of a Party or its Subsidiaries;

"Required Consents" means the consents listed on Schedule "D";

"SEC" means the U.S. Securities Exchange Commission;

"SEC Clearance" has the meaning ascribed thereto in Subsection 2.4(a);

"Securities Authorities" means the Canadian Securities Authorities and the SEC, as applicable;

"Sphere" means Sphere 3D Corp.;

"Sphere Assets" means all of Sphere's right, title, estate and interest in and to its property and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, including, without limitation, the assets as more particularly set forth and described in the Sphere Financial Statements;

"Sphere Board" means the Board of Sphere;

"Sphere CAPEX Cap" has the meaning ascribed thereto in Subsection 5.2(c)(ix);

"Sphere Common Shares" means the common shares in the capital of Sphere;

"Sphere Closing Payments" means the payments contemplated by the agreements set forth in Schedule 4.1(q)(iv) and Schedule 4.1(II) and of the Sphere Disclosure;

"Sphere Disclosure Letter" means the disclosure letter dated the date hereof executed by Sphere and delivered to Cathedra;

"Sphere Fairness Opinion" means an oral opinion to be subsequently confirmed in writing from Rosenblatt Securities that, as of the date of such opinion and subject to the assumptions, limitations and qualifications set out therein, that the Arrangement is fair, from a financial point of view, to the Sphere Shareholders;

"Sphere Intellectual Property" means all Intellectual Property used in the ordinary course of business of Sphere, including but not limited to the Intellectual Property listed in Schedule 4.1(t)(i) of the Sphere Disclosure Letter;

"Sphere Locked-up Shareholders" means each of the directors and senior officers of Sphere that signs a Sphere Support Agreement;

"Sphere Material Contracts" means any contract, agreement, license, lease, arrangement or commitment to which Sphere or any Sphere Subsidiary is a party or otherwise bound that: (a) provides for obligations or entitlements of Sphere and/or the Sphere Subsidiaries exceeding \$50,000 in any year; (b) whose termination could, individually or in the aggregate, reasonably be expected to

have a Material Adverse Effect on Sphere; (c) expressly limiting or restricting the ability of Sphere or any Sphere Subsidiary to compete in, solicit in respect of, or otherwise to conduct, their respective businesses or operations in any geographic area or during any period of time; (d) contains any right of first refusal or first offer or similar right or that limits in any material respect the ability of Sphere or any Sphere Subsidiary to own, operate, sell, pledge or otherwise dispose of material assets, property or the business of Sphere or such Sphere Subsidiary; (e) is a financial risk management contract, such as currency, commodity or interest related hedge contracts; (f) provides for the termination, acceleration of payment or other special rights upon the occurrence of a change in control of Sphere; (g) is a shareholder, joint venture or partnership agreement; or (h) is with an affiliate of Sphere or any other person with whom Sphere does not deal at arm's length within the meaning of the Income Tax Act, other than a contract between a contract between Sphere and a wholly-owned Subsidiary of Sphere or between two or more wholly-owned Subsidiaries of Sphere;

"Sphere Meeting" means the special meeting of the Sphere Shareholders, including any adjournment or adjournments thereof, to be held for the purpose of considering and, if thought fit, approving the Sphere Resolution and for any other purpose as may be set out in the Sphere Proxy Statement;

"Sphere Options" means options granted to acquire Sphere Common Shares;

"Sphere PIP" means Sphere's 2025 Performance Incentive Plan as approved by the Sphere Shareholders on May 29, 2025;

"Sphere Preferred Shares" means the Sphere Series H Shares and once created, the Sphere Series I Shares;

"Sphere Proxy Statement" means the proxy statement on Schedule 14A to be distributed to Sphere Shareholders, including all schedules, appendices and exhibits thereto and enclosures therewith, and information incorporated by reference therein, in connection with the Sphere Meeting, as amended, supplemented or otherwise modified from time to time in accordance with this Agreement;

"Sphere Public Record" means all information, documents, materials and filings relating to Sphere that have been filed by or on behalf of Sphere and publicly disseminated through the System for Electronic Document Analysis and Retrieval (SEDAR+) or filed with the SEC, together with any documents incorporated by reference therein, in each case as filed and publicly available as of the date hereof;

"Sphere Resolution" means the resolutions of Sphere Shareholders approving the issuance of the Consideration Shares;

"Sphere RSAs" means restricted share awards to acquire Sphere Common Shares granted under the Sphere PIP;

"Sphere RSUs" means restricted share units to acquire Sphere Common Shares granted under the Sphere PIP;

"Sphere Series H Shares" means the Series H Preferred Shares in the authorized share capital of Sphere;

"Sphere Series I Shares" means the shares of Sphere to be created pursuant to Section 3.1(a) of the Plan of Arrangement and to be designated as Series I Preferred Shares;

"Sphere Shares" means the Sphere Common Shares, Sphere Series H Shares and, once created, the Sphere Series I Shares;

"Sphere Shareholder Approval" means the approval of the Sphere Resolution by a simple majority of Sphere Shareholders present in person or by proxy at the Sphere Meeting;

"Sphere Shareholders" means the holders from time to time of Sphere Common Shares;

"Sphere Subsidiaries" means, collectively, Sphere 3D Inc., a Canadian company, Sphere 3D Mining Corp., a Delaware company, and 101250 Investments Ltd., a Turks & Caicos Island company and S3D Acquisition Corp., a British Columbia company;

"Sphere Superior Proposal" means any unsolicited bona fide written Acquisition Proposal from a person or persons who is or are, as at the date of this Agreement, a party that deals at arm's length with Sphere, that is not obtained in violation of this Agreement, to acquire 100% of the outstanding Sphere Common Shares (other than Sphere Common Shares beneficially owned by the person or persons making such Acquisition Proposal) or all or substantially all of the assets of Sphere and its Subsidiaries on a consolidated basis made after the date of this Agreement: (a) that is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the person or persons making such Acquisition Proposal; (b) that is not subject to any financing condition and in respect of which it has been demonstrated to the satisfaction of the Sphere Board that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal; (c) that is not subject to any due diligence condition; (d) in the event that Sphere does not have the financial resources to pay the Termination Fee, the terms of such Acquisition Proposal provide that the person making such Superior Proposal shall advance or otherwise provide Sphere the cash required for Sphere to pay the Termination Fee and such amount shall be advanced or provided on or before such Termination Fee becomes payable; and (e) in respect of which, the Sphere Board determines, in its good faith judgment, after receiving the advice of its financial and legal advisors and after taking into account all the terms and conditions of such Acquisition Proposal and all factors and matters considered appropriate in good faith by the Sphere Board, that it would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to Sphere Shareholders, than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by Cathedra pursuant to Subsection 7.2(b));

"Sphere Support Agreements" means the voting support agreements dated as of the date hereof in the form provided to Sphere and duly executed by Sphere, Cathedra and each of the Sphere Locked-up Shareholders;

"Sphere Warrantholders" means the holders from time to time of Sphere Warrants;

"Sphere Warrants" means warrants to acquire Sphere Shares;

"Subsidiary" means, with respect to a specified body corporate, any body corporate, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such body corporate and, for the purpose of this definition, "control" means the direct or indirect possession of the power to direct or cause the direction of the management and policies of another, whether through the ownership of voting securities, by contract or otherwise;

"Superior Proposal" means a Cathedra Superior Proposal or a Sphere Superior Proposal, as the case may be;

"Superior Proposal Notice" has the meaning given to such term in Subsection 7.2(a)(iv);

"Support Agreements" means, collectively, the Cathedra Support Agreements and the Sphere Support Agreements;

"SVS Exchange Ratio" means 0.123014:1, representing 0.123014 Sphere Common Shares for each Cathedra SV Share;

"Systems" means the hardware equipment and software components of the information management, technology and computer systems of the relevant Party.

"Tax Returns" means all returns, declarations, reports, information returns and statements required to be filed with any taxing authority relating to Taxes, including any attached schedules, claim for refund, amended return or declarations of estimated Tax;

"Taxes" means all taxes, fees, imports, assessments or charges of any kind whatsoever and however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Authority, which Taxes include all income taxes (including any tax on or based upon net income, gross income, income that is specifically defined, earnings, profits or selected items of income), capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan premiums, excise, social security premiums, workers' compensation premiums, unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, escheat or unclaimed property, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties, pension or health plan assessments, mining taxes, mining or mineral royalties, governmental charges and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its Subsidiaries is required to pay, withhold or collect;

"Termination Fee" means US\$500,000;

"Transaction Expenses" means reasonable, documented, out-of-pocket fees, costs and expenses of outside legal counsel, financial advisors, accountants, transfer agents, proxy solicitors, filing fees and court fees, in each case incurred solely in connection with the transactions contemplated by this Agreement and the Plan of Arrangement;

"TSXV" means the TSX Venture Exchange;

"United States" or **"U.S."** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

"U.S. Person" has the meaning ascribed thereto in Regulation S under the U.S. Securities Act;

"U.S. Securities Act" means the *United States Securities Act of 1933*, as amended, and the rules and regulations of the SEC promulgated thereunder;

"U.S. Securities Exchange Act" means the *United States Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder; and

"U.S. Securities Laws" means the U.S. Securities Act, the U.S. Securities Exchange Act and any applicable state securities laws.

1.2 Construction

In this Agreement, unless otherwise expressly stated or the context or the subject matter otherwise requires:

- (a) the division of this Agreement into Articles, Sections and Subsections, the provision of a table of contents and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation hereof;
- (b) the words **"this Agreement"**, **"hereof"**, **"herein"**, **"hereto"**, **"hereunder"** and similar expressions refer to this Agreement as a whole and not to any particular Article, Section, Subsection or other part hereof and references to an **"Article"**, **"Section"**,

"**Subsection**" or "**Schedule**" followed by a number and/or letter refers to the specified Article, Section or Subsection of, or Schedule to, this Agreement;

- (c) words importing the singular include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, general and limited partnerships, trusts, unincorporated associations or organizations, Governmental Authorities and other legal entities;
- (d) references to "**include**", "**includes**", "**including**" or "**in particular**" will be deemed to be followed by the words "**without limitation**";
- (e) unless the context otherwise requires, "**or**" is inclusive and not exclusive;
- (f) a reference to "**approval**", "**authorization**" or "**consent**" in this Agreement means written approval, authorization or consent;
- (g) reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted, supplemented or replaced and includes any regulation, rule or other subordinate legislation made thereunder, as such regulation, rule or subordinate legislation may from time to time be amended, supplemented or replaced;
- (h) if any date on which any action is required or permitted to be taken under this Agreement is not a Business Day, such action will be required or permitted to be taken on the next succeeding Business Day;
- (i) unless otherwise indicated, all references in this Agreement to sums of money are expressed and will be payable in lawful money of Canada;
- (j) all accounting terms used in this Agreement have the meanings attributable to them under IFRS as it applies to Cathedra and GAAP as it applies to Sphere, and all determinations of an accounting nature required to be made will be made in a manner consistent with IFRS as it applies to Cathedra and GAAP as it applies to Sphere;
- (k) where any representation or warranty is qualified by reference to the "**knowledge**" of a Party, such Party confirms that it has made due and diligent enquiry of such persons (including appropriate officers, employees and consultants, as applicable) as is reasonable, taking into account the matters that are the subject matter of the representations and warranties;
- (l) reference to the "**ordinary course of business**", or any variation thereof, of any person refers to the business of such person, carried on in the regular and ordinary course, consistent with such person's past practice including with respect to nature, scope, magnitude, timing and frequency, and including commercially reasonably and business-like actions that are in the regular and ordinary course of business for a company operating in the industry in which such business is conducted but, excluding any expenditures in respect of extraordinary items, bonuses, change in control or retention payments, severance, indebtedness retirement, asset acquisitions or dispositions, settlements of litigation, or capital expenditure in excess of the Cathedra CAPEX Cap and Sphere CAPEX Cap, as applicable; and
- (m) where a word, term or phrase is defined in this Agreement, its derivatives or other grammatical forms have a corresponding meaning.

1.3 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, then:

- (a) that provision will (to the extent of the invalidity, illegality or unenforceability) be deemed severed from this Agreement and will be given no effect;
- (b) the validity, legality or enforceability of the remaining provisions of this Agreement will not in any way be affected or impaired by the severance of the invalid, illegal or unenforceable provisions thereof; and
- (c) the Parties will use all reasonable commercial efforts to replace each invalid, illegal or unenforceable provision with a valid, legal and enforceable substitute provision, the effect of which is as close as possible to the intended effect of the invalid, illegal or unenforceable provision.

1.4 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada, and "\$" refers to Canadian dollars. All references in this Agreement to sums of money expressed in lawful money of the United States refers to "US\$".

1.5 Schedules

The following schedules are attached to this Agreement and will be deemed to be incorporated in and form a part hereof:

<u>Schedule</u>	<u>Title</u>
Schedule "A"	Plan of Arrangement
Schedule "B"	Arrangement Resolution
Schedule "C"	Material Terms of Management Member Employment Agreement
Schedule "D"	Required Consents

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement

Cathedra, Sphere and Amalco Sub agree that the Arrangement shall be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement. Notwithstanding the foregoing, Cathedra, Sphere and Amalco Sub agree to consider and act reasonably with respect to any proposed amendments to the Arrangement that may be required to accommodate tax advice at any time prior to the application to the court for the Interim Order; provided that such tax advice is not unduly adverse to the other party.

2.2 Interim Order

As soon as reasonably practicable following the execution of this Agreement and in any event no later than twenty (20) Business Days after the date hereof, unless otherwise mutually agreed by the Parties, Cathedra and Amalco Sub shall apply to the Court in a manner acceptable to Sphere, acting reasonably, pursuant to Part 9 – Division 5 of the Act and, with the assistance of Sphere,

prepare, file and diligently pursue an application for the Interim Order, which shall provide, among other things:

- (a) for the class of persons to whom notice is to be provided in respect of the Arrangement and the Cathedra Meeting and for the manner in which such notice is to be provided;
- (b) confirmation of the record date for determining those Cathedra Shareholders entitled to notice of and to vote at the Cathedra Meeting, and that such record date will not change in respect of any adjournment(s) of the Cathedra Meeting;
- (c) that the requisite approval for the Arrangement Resolution (collectively, the "**Cathedra Shareholder Approval**"), shall be at least:
 - (i) 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares and the holders of Cathedra MV Shares present in person or by proxy at the Cathedra Meeting voting together as a single class, with each Cathedra SV Share entitling the holder thereof to one vote per Cathedra SV Share and each Cathedra MV Share entitling the holder thereof to 152 votes per Cathedra MV Share; and
 - (ii) 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by holders of Cathedra SV Shares, holders of Cathedra MV Shares, Cathedra Optionholders, Cathedra Warrantholders and Cathedra RSU holders, present in person or by proxy at the Cathedra Meeting voting together as a single class;
- (d) that, in all other respects, the terms, conditions and restrictions of the articles and notice of articles of Cathedra, including the quorum requirement and other matters, shall apply in respect of the Cathedra Meeting;
- (e) for the grant of Dissent Rights to the registered holders of Cathedra Shares as contemplated in the Plan of Arrangement;
- (f) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (g) that the Cathedra Meeting may be adjourned or postponed from time to time by Cathedra with the consent of Sphere (such consent not to be unreasonably withheld) subject to the terms of this Agreement without the need for additional approval of the Court;
- (h) that the record date for the Cathedra Shareholders entitled to vote at the Cathedra Meeting will not change in respect of any adjourned or postponed Cathedra Meeting;
- (i) that it is Sphere's intention to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the Consideration Shares, the Replacement Options, the Replacement Warrants and the Replacement RSUs to be issued pursuant to the Arrangement, based on the Court's approval of the Arrangement; and

- (j) for such other matters as Sphere or Cathedra may reasonably require, subject to obtaining the prior consent of the other Party, such consent not to be unreasonably conditioned, withheld or delayed, and subject to the approval of the Court.

2.3 Cathedra Meeting

- (a) Subject to the terms of this Agreement, Cathedra agrees to convene and conduct the Cathedra Meeting in accordance with the Interim Order, Cathedra's articles and Applicable Law as soon as reasonably practicable and in any event on or before the date that is sixty (60) days following the date the Interim Order is issued.
- (b) Subject to the terms of this Agreement, except as required for quorum purposes or otherwise permitted under this Agreement, Cathedra shall not adjourn, postpone or cancel (except as required by Law or by valid Cathedra Shareholder action), the Cathedra Meeting without Sphere's prior written consent.
- (c) Subject to the terms of this Agreement, and the compliance by the directors and officers of Cathedra with their fiduciary duties, Cathedra will use its commercially reasonable efforts, at its cost, to solicit proxies in favour of the approval of the Arrangement Resolution.
- (d) Cathedra will advise Sphere, as Sphere may reasonably request, and if requested by Sphere, on a daily basis on each of the last ten (10) Business Days prior to the date of the Cathedra Meeting, as to the aggregate tally of the proxies received by Cathedra in respect of the Arrangement Resolution.
- (e) Cathedra will promptly advise Sphere of any written notice of dissent or purported exercise by any Cathedra Shareholder of Dissent Rights received by Cathedra in relation to the Arrangement and any withdrawal of Dissent Rights received by Cathedra and, subject to Applicable Law, any written communications sent by or on behalf of Cathedra to any Cathedra Shareholder exercising or purporting to exercise Dissent Rights in relation to the Arrangement. Cathedra shall not settle any claims with respect to Dissent Rights without first consulting with Sphere.
- (f) Upon receipt by Cathedra from Sphere of all necessary documents required to be executed by it, including signed undertakings relating to use of shareholder lists required under the Act, Cathedra will use commercially reasonable efforts to prepare or cause to be prepared and provide to Sphere lists of the holders of all classes and series of securities of Cathedra, including lists of the Cathedra Shareholders and the holders of Cathedra Options, Cathedra RSUs and Cathedra Warrants, as well as a security position listing from each depositary of its securities, including The Canadian Depositary for Securities Limited and The Depository Trust Company, as applicable, within five (5) Business Days after the date hereof and will obtain and deliver to Sphere thereafter on demand supplemental lists setting out any changes thereto, all such deliveries to be in printed form and, if available, in computer-readable format.
- (g) Cathedra shall provide notice to Sphere of the Cathedra Meeting and allow Sphere's Representatives to attend the Cathedra Meeting, either in person or electronically, unless such attendance is prohibited by the Interim Order.
- (h) Subject to Applicable Laws, Cathedra shall promptly advise Sphere of any material oral communications, and shall furnish promptly to Sphere a copy of each material notice, report, schedule or other document or communication delivered, filed or received by Cathedra from the TSXV, any of the Securities Authorities or any other

Governmental Authority in connection with, or in any way affecting, the Cathedra Meeting, the Arrangement or the other transactions contemplated herein.

2.4 Sphere Meeting

- (a) Subject to the terms of this Agreement, Sphere agrees to convene and conduct the Sphere Meeting in accordance with Sphere's articles of incorporation, by-laws and Applicable Law as soon as reasonably practicable after the earliest to occur of (i) the SEC informing Sphere that it has no remaining comments to, or will not review, the Sphere Proxy Statement (and Sphere agrees to advise Cathedra of such matters promptly after the SEC informs Sphere of such) or (ii) the passage of at least ten (10) calendar days (as calculated pursuant to Rule 14a-6 of the U.S. Securities Exchange Act) since the filing of a preliminary Sphere Proxy Statement with the SEC not informing Sphere that it intends to review the Sphere Proxy Statement (in either case, "**SEC Clearance**"), and in any event on or before the date that is sixty (60) days following receipt of SEC Clearance.
- (b) Subject to the terms of this Agreement, except as required for quorum purposes or otherwise permitted under this Agreement, Sphere shall not adjourn, postpone or cancel (except as required by Law or by valid Sphere Shareholder action), the Sphere Meeting without Cathedra's prior written consent.
- (c) Subject to the terms of this Agreement, and the compliance by the directors and officers of Sphere with their fiduciary duties, Sphere will use its commercially reasonable efforts to solicit proxies in favour of the approval of the Sphere Resolution.
- (d) Sphere will advise Cathedra, as Cathedra may reasonably request, and if requested by Cathedra, on a daily basis on each of the last ten (10) Business Days prior to the date of the Sphere Meeting, as to the aggregate tally of the proxies received by Sphere in respect of the Sphere Resolution.
- (e) Sphere shall provide notice to Cathedra of the Sphere Meeting and allow Cathedra's Representatives to attend the Sphere Meeting, either in person or electronically, unless such attendance is prohibited by Sphere's articles of incorporation, by-laws or Applicable Law.
- (f) Subject to Applicable Laws, Sphere shall promptly advise Cathedra of any material oral communications, and shall furnish promptly to Cathedra a copy of each material notice, report, schedule or other document or communication delivered, filed or received by Sphere from NASDAQ, any of the Securities Authorities or any other Governmental Authority in connection with, or in any way affecting, the Sphere Meeting, the Sphere Resolution, the Arrangement or the other transactions contemplated herein.

2.5 Cathedra Circular and Sphere Proxy Statement

- (a) Promptly following the entry into this Agreement, Cathedra shall prepare, together with any other documents required by the Act, Canadian Securities Laws and all other Applicable Laws, and shall use its reasonable best efforts to cause to be filed with the TSXV and the Canadian Securities Authorities as promptly as practicable after obtaining the Interim Order (with the making of such filing subject to Sphere furnishing the information required under Section 2.5(e)), the Cathedra Circular relating to matters to be submitted to the Cathedra Shareholders at the Cathedra Meeting. Cathedra shall use its reasonable best efforts to cause the Cathedra Circular

to comply as to form and substance in all material respects with the rules and regulations promulgated by Canadian Securities Laws and the requirements of Applicable Law, and to respond as promptly as practicable to any comments of the TSXV, Canadian Securities Authorities or their respective staff. Cathedra will advise Sphere promptly after it receives any oral or written request by the TSXV or Canadian Securities Authorities for an amendment of the Cathedra Circular or receives any comments or has any material oral communications thereon and responses thereto or any request by the TSXV or Canadian Securities Authorities for additional information, and shall provide Sphere with copies of all substantive correspondence that is provided by or on behalf of it, on one hand, and by the TSXV or Canadian Securities Authorities, on the other hand. Cathedra shall use its reasonable best efforts to resolve any comments from the TSXV and Canadian Securities Authorities with respect to the Cathedra Circular as promptly as reasonably practicable after receipt thereof. Cathedra agrees to permit Sphere (to the extent applicable) and its counsel, to participate in all substantive meetings and conferences with the TSXV or Canadian Securities Authorities with respect to the foregoing matters. Notwithstanding the foregoing, prior to filing or mailing the Cathedra Circular (or any amendment or supplement thereto) or responding to any substantive comments of the TSXV or Canadian Securities Authorities with respect thereto, Cathedra will (A) provide Sphere with a reasonable opportunity to review and comment on such document or response (including the proposed final version of such document or response), (B) consider in good faith for inclusion in such document or response all comments reasonably and promptly proposed by Sphere, and (C) not file or mail such document or respond to the TSXV or Canadian Securities Authorities prior to receiving the approval of Sphere, which approval shall not be unreasonably withheld, conditioned or delayed.

- (b) Promptly following the entry into this Agreement, Sphere shall prepare, together with any other documents required by U.S. Securities Laws and all other Applicable Laws, and shall use its reasonable best efforts to cause to be filed with the SEC as promptly as practicable following the execution of this Agreement (with the making of such filing subject to Cathedra furnishing the information required under Section 2.5(f)), the Sphere Proxy Statement relating to matters to be submitted to the Sphere Shareholders at the Sphere Meeting. Sphere shall use its reasonable best efforts to cause the Sphere Proxy Statement to comply as to form and substance in all material respects with the rules and regulations promulgated by the SEC and the requirements of Applicable Law, and to respond as promptly as practicable to any comments of the SEC or their staff. Sphere will advise Cathedra promptly after it receives any oral or written request by the SEC for amendment of the Sphere Proxy Statement or receives any comments or has any material oral communications thereon and responses thereto or any request by the SEC for additional information, and Sphere shall provide Cathedra with copies of all substantive correspondence that is provided by or on behalf of it, on one hand, and by the SEC on the other hand. Sphere shall use its reasonable best efforts to resolve any comments from the SEC with respect to the Sphere Proxy Statement as promptly as reasonably practicable after receipt thereof. Sphere agrees to permit Cathedra (to the extent practicable) and its counsel, to participate in all substantive meeting and conferences with the SEC with respect to the foregoing matters. Notwithstanding the foregoing, prior to filing or mailing the Sphere Proxy Statement (or any amendment or supplement thereto) or responding in writing to any substantive comments of the SEC with respect thereto, Sphere will (A) provide

Cathedra with a reasonable opportunity to review and comment on such document or response (including the proposed final version of such document or response), (B) consider in good faith for inclusion in such document or response all comments reasonably and promptly proposed by Cathedra, and (C) not file or mail such document or respond to the SEC prior to receiving the approval of Cathedra, which approval shall not be unreasonably withheld, conditioned or delayed.

- (c) The Cathedra Circular shall: (i) include a copy of the Cathedra Fairness Opinion; (ii) state that the Cathedra Board has reviewed the Cathedra Fairness Opinion, and, subject to the terms of this Agreement, has unanimously determined (subject to any abstentions due to entitlement to “collateral benefits” under MI 61-101 or as otherwise required under the Act), after receiving legal and financial advice, that the Consideration Shares to be received by the Cathedra Shareholders is fair to the Cathedra Shareholders and that the Arrangement and entry into this Agreement are in the best interests of Cathedra; (iii), subject to the terms of this Agreement, contain the unanimous recommendation of the Cathedra Board (subject to any abstentions due to entitlement to “collateral benefits” under MI 61-101 or as otherwise required under the Act) to Cathedra Shareholders that they vote in favour of the Arrangement Resolution; and (iv) include statements that each of the Cathedra Locked-Up Shareholders has signed a Cathedra Support Agreement, pursuant to which, and subject to the terms thereof, they have agreed to, among other things, vote their Cathedra Shares in favour of the Arrangement Resolution.
- (d) The Sphere Proxy Statement shall: (i) include a copy of the Sphere Fairness Opinion; (ii) state that the Sphere Board has reviewed the Sphere Fairness Opinion and has evaluated the Arrangement in consultation with Sphere’s management and legal and financial advisors, and has unanimously determined that the Arrangement and entry into this Agreement are in the best interests of Sphere; (iii) subject to the terms of this Agreement, contain the unanimous recommendation of the Sphere Board to Sphere Shareholders that they vote in favour of the Sphere Resolution; (iv) include statements that each of the Sphere Locked-Up Shareholders has signed a Sphere Support Agreement, pursuant to which, and subject to the terms thereof, they have agreed to, among other things, vote their Sphere Common Shares in favour of Sphere Resolution; and (v) state the Director Nominees who shall become members of the Sphere Board as of the Effective Time.
- (e) Sphere will promptly furnish to Cathedra such data and information relating to it, its Subsidiaries (including Amalco Sub), the Consideration Shares, and the holders of Sphere Shares, as is required by Applicable Securities Laws and as Cathedra may reasonably request for the purpose of including such data and information in the Cathedra Circular and any amendments or supplements thereto, including any information required for the preparation by Cathedra of any pro forma financial statements. Sphere shall use reasonable best efforts to obtain any necessary consents from any of its auditors and other advisors to the use of any financial, technical or other expert information required to be included in the Cathedra Circular relating to it or its Subsidiaries (including Amalco Sub) and to the identification in the Cathedra Circular of each such advisor.
- (f) Cathedra will promptly furnish to Sphere such data and information relating to it, its Subsidiaries and the Cathedra Securityholders as is required by Applicable Securities

Laws and as Sphere may reasonably request for the purpose of preparing and filing the Sphere Proxy Statement and any amendments or supplements thereto, including any information required under applicable SEC requirements for Sphere to prepare any pro forma financial information required to be included in the Sphere Proxy Statement. Cathedra shall provide to Sphere consolidated audited financial statements for the fiscal year ended December 31, 2025 and December 31, 2024 as well as consolidated unaudited financial statements for the most recently completed fiscal quarter immediately preceding the filing of the Sphere Proxy Statement (only to the extent required by applicable rules and regulations), prepared in CAD and in accordance with IFRS and the related independent auditor report on such audited financial statements, and shall provide Sphere such additional financial information as Sphere may reasonably request to prepare any required pro forma financial statements, including the financial information necessary to prepare the adjustment column to be included in such pro formas to translate Cathedra's audited financial statements from CAD into U.S. dollars and in accordance with GAAP. Cathedra shall use reasonable best efforts to obtain any necessary consents from any of its auditors and other advisors to the use of any financial, technical or other expert information required to be included in the Sphere Proxy Statement relating to it or its Subsidiaries and to the identification in the Sphere Proxy Statement of each such advisor.

- (g) In accordance with Subsection 2.2(b), the Parties will include such information in the Cathedra Circular and Sphere Proxy Statement, as applicable, as is necessary to describe the Parties' intention to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act to issue and exchange Consideration Shares, Replacement Options, Replacement Warrants and Replacement RSUs for Cathedra Shares, Cathedra Options, Cathedra Warrants and Cathedra RSUs, respectively, pursuant to the Arrangement.
- (h) The Parties shall promptly notify each other if at any time before the Effective Date either becomes aware (in the case of Cathedra, only with respect to Cathedra or its Subsidiaries, and in the case of Sphere, only with respect to Sphere or its Subsidiaries) that the Cathedra Circular or Sphere Proxy Statement, as applicable, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Cathedra Circular and Sphere Proxy Statement, as applicable, and the Parties shall cooperate in the preparation of any amendment or supplement to the Cathedra Circular and Sphere Proxy Statement, as applicable, as required or appropriate, and the Parties shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Cathedra Circular and Sphere Proxy Statement, as applicable, and, if required by the Court or Applicable Laws, file the same with the Securities Authorities and as otherwise required.

2.6 Securities Law Compliance

The Parties shall reasonably cooperate with each other in the prompt and diligent preparation of any application for regulatory approvals with the Securities Authorities and any other orders, registrations, consents, filings, rulings, exemptions, no-action letters and approvals and the preparation of any documents reasonably deemed by any of the Parties to be necessary to discharge their respective obligations under this Agreement or otherwise required or advisable under Applicable Laws in connection with the Arrangement, this Agreement or the Plan of Arrangement,

including the Cathedra Circular and Sphere Proxy Statement. Sphere may elect, at its sole discretion, to make such securities and other regulatory filings in the United States or other jurisdictions as may be necessary or desirable in connection with the completion of the Sphere Resolution or the Arrangement. Cathedra shall use its commercially reasonable efforts to provide to Sphere all information regarding Cathedra and its affiliates as required by Applicable Securities Laws in connection with such filings. Cathedra shall also use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in such filings and to the identification in such filings of each such advisor.

2.7 Final Order

If (i) the Interim Order is obtained, (i) the Arrangement Resolution is passed at the Cathedra Meeting by the Cathedra Shareholders as provided for in the Interim Order and as required by Applicable Law, and (iii) the Sphere Resolution is passed at the Sphere Meeting by the Sphere Shareholders as required by Applicable Law, Cathedra shall, subject to the terms of this Agreement, as soon as reasonably practicable thereafter, and, in any event, within five (5) Business Days following the later of (a) the approval of the Arrangement Resolution at the Cathedra Meeting, and (b) the approval of the Sphere Resolution at the Sphere Meeting, take all actions necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Section 291 of the Act. The notice of petition providing notice of the hearing for approval of the Final Order shall be included in the Cathedra Circular.

2.8 Court Proceedings

Subject to the terms of this Agreement, the Parties will cooperate in seeking the Interim Order and the Final Order, including Sphere providing Cathedra on a timely basis any information required to be supplied by Sphere in connection therewith. Cathedra will provide Sphere's legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and shall give reasonable and due consideration to all such comments; provided that, all information relating to Sphere included in such materials shall be in form and substance satisfactory to Sphere, acting reasonably. Cathedra will also provide Sphere's legal counsel on a timely basis with copies of any notice of appearance or notice of intent to oppose and any evidence served on Cathedra or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal therefrom. Subject to Applicable Law, Cathedra will not file any material with the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated by this Section 2.8 or with Sphere's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require Sphere to agree or consent to any increase or variation in consideration or other modification or amendment to such filed or served materials that expands or increases Sphere's obligations, or diminishes or limits Sphere's rights, set forth in any such filed or served materials or under this Agreement, the Arrangement and the Support Agreements.

2.9 Section 3(a)(10) Exemption

The Parties agree that the Arrangement will be carried out with the intention that all Consideration Securities issued under the Arrangement to Cathedra Securityholders who are in the United States will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act (the "**Section 3(a)(10) Exemption**"). In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the terms and conditions of the Arrangement will be subject to the approval of the Court in accordance with section 288 of the Act;
- (b) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;
- (c) the Circular shall contain a statement advising the Cathedra Securityholders that the Consideration Securities have not been registered under the U.S. Securities Act and will be issued in reliance on the Section 3(a)(10) Exemption and exemptions under applicable U.S. state securities laws and may be subject to restrictions on resale under the securities laws of the United States, including, as applicable, Rule 144 under the U.S. Securities Act with respect to affiliates;
- (d) the Court will be required to satisfy itself as to the procedural and substantive fairness of the terms and conditions of the Arrangement to the Cathedra Securityholders subject to the Arrangement;
- (e) the Court will hold a hearing before approving the procedural and substantive fairness of the terms and conditions of the Arrangement;
- (f) the Court will have determined, prior to approving the Arrangement, that the terms and conditions of the exchanges of securities under the Arrangement are fair to the Cathedra Securityholders pursuant to the Arrangement;
- (g) the order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the Cathedra Securityholders pursuant to the Arrangement;
- (h) Cathedra will ensure that each Cathedra Securityholder entitled to Consideration Securities pursuant to the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (i) the Interim Order will specify that each person entitled to receive Consideration Securities pursuant to the Arrangement will have the right to appear before the Court so long as they enter an appearance within a reasonable time; and
- (j) the Final Order shall include statements substantially to the following effect:

“This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of Sphere 3D Corp. pursuant to the Plan of Arrangement.”

“The terms and conditions of the Arrangement are procedurally and substantively fair to the securityholders of Cathedra Bitcoin Inc. and are hereby approved by the Court.”

2.10 United States Tax Matters

The Arrangement is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code (a “**Reorganization**”) and this Agreement is intended to be a “plan of reorganization” within the meaning under Section 368 of the Internal Revenue Code; however, it is expected that gain may be required to be recognized by Cathedra and the Cathedra Shareholders as a result of the application of Section 367 of the Internal Revenue Code. No Party makes any representation, warranty, or covenant to any other Party or to any Cathedra

Securityholder, Sphere Securityholder, or other holder of Cathedra securities or Sphere securities (including, but not limited to, stock options, warrants, debt instruments, or other similar rights or instruments) regarding the U.S. tax treatment of the Arrangement, including, but not limited to, whether the Arrangement will qualify as a Reorganization or the application of Section 367 of the Internal Revenue Code to the Arrangement.

2.10.1 Canada Tax Matters

The Arrangement is intended to be implemented by way of a Plan of Arrangement under section 288 of the Act and to constitute a three-cornered (or “triangular”) amalgamation within the meaning of subsection 87(9) of the Income Tax Act. Provided that the Plan of Arrangement so qualifies, each of the Parties agrees to treat the Arrangement as an amalgamation to which subsection 87(9) of the ITA applies for all purposes of the ITA and applicable provincial income tax legislation, and each agrees not to take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with such treatment, except as otherwise required by applicable law. Except as otherwise provided in this Agreement and the Plan of Arrangement, each of the Parties agrees to act in a manner consistent with the Parties’ intention that the Arrangement qualify as an amalgamation to which subsection 87(9) of the ITA applies, including by taking such actions as are reasonably necessary to ensure that: (a) all of the property (other than property distributed to shareholders on the amalgamation) of each predecessor corporation becomes property of the amalgamated corporation by operation of law, (b) all of the liabilities of each predecessor corporation become liabilities of the amalgamated corporation, and (c) each predecessor corporation ceases to exist as a separate legal entity immediately upon the effectiveness of the Arrangement, in each case, as required under subsection 87(1) of the ITA. No Party has taken or agreed to take any action, and none of the Parties is aware of any fact or circumstance, that is reasonably likely to prevent or impede the Arrangement from qualifying as an amalgamation to which subsection 87(9) of the ITA applies; provided, however, that no assurance is given that the Canada Revenue Agency will not apply: (i) any of subsection 84(3), 84.1, 15(1), 56(2) of the ITA, or (ii) the general anti-avoidance rule in section 245 of the ITA to recharacterize any portion of the Arrangement or impose adverse Canadian income tax consequences on any shareholder. Notwithstanding the foregoing, no Party makes any representation, warranty, or covenant to any other Party or to any Cathedra Shareholder, holder of Sphere Shares, or other holder of Cathedra securities or Sphere securities (including, but not limited to, stock options, warrants, debt instruments, or other similar rights or instruments) regarding: (A) the availability of tax-deferred treatment under subsection 87(9) of the ITA, (B) the tax cost or paid-up capital of any shares of the amalgamated corporation issued pursuant to the Arrangement, (C) the possible application of either subsection 84.1 or section 245 of the ITA, or (D) the Canadian federal, provincial, territorial, or foreign income tax consequences of the Arrangement.

2.11 Effective Date

The Arrangement shall be effective on the date (the “**Effective Date**”) agreed to by Sphere and Cathedra in writing as the effective date of the Arrangement, which date shall be no later than the fifth (5th) Business Day after the satisfaction or, where not prohibited, the waiver (subject to Applicable Law) of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver of those conditions as of the Effective Date) set forth in Article 6, unless another date is agreed to in writing by the Parties. From and after the Effective Time, the Plan of Arrangement will have all of the effects provided by Applicable Law, including the Act.

2.12 Issue of Consideration Shares

Sphere will, following receipt by Cathedra of the Final Order and on or prior to the Effective Time, ensure that the Depositary has been provided with a sufficient number of Sphere Common Shares and Sphere Series I Shares to issue the Consideration Shares pursuant to the Arrangement. Any Consideration Shares to be issued in exchange for Cathedra Shares that are subject to an escrow with the TSXV shall be dealt with in accordance with the terms of the applicable escrow agreement and the TSXV Corporate Finance Policies.

2.13 Cathedra Options

All unexercised outstanding Cathedra Options held by Cathedra Optionholders shall, as at the Effective Time pursuant to the Arrangement and in accordance with the Plan of Arrangement, be exchanged for Replacement Options.

Following the Effective Date, the Replacement Options may not be exercised in the United States or by, or on behalf or for the benefit of, a U.S. Person, unless an exemption is available from the registration requirements of the U.S. Securities Laws, and the holder furnishes to Sphere an opinion of counsel or other evidence of exemption satisfactory to Sphere, acting reasonably, to such effect.

2.14 Cathedra RSUs

Each unvested Cathedra RSU (other than any Accelerated Cathedra RSUs) outstanding immediately prior to the Effective Time held by Joel Block shall be exchanged for a Replacement RSU, under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of Cathedra SV Shares subject to such Cathedra RSU immediately prior to the Effective Time multiplied by (B) the SVS Exchange Ratio. All terms and conditions of such Replacement RSUs, including the term to expiry, vesting, conditions to and manner of exercising, shall reflect the same material economic and vesting terms of the applicable unvested Cathedra RSU immediately prior to the Effective Time (aside from adjustments to reflect the SVS Exchange Ratio) and shall be governed by the equity incentive plan of Sphere and the applicable Replacement RSU award agreement. All Accelerated Cathedra RSU outstanding immediately prior to the Effective Time shall, in accordance with their terms, fully vest immediately prior to the Effective Time. At the Effective Time, each holder of an Accelerated Cathedra RSUs shall receive, in full satisfaction of such Accelerated Cathedra RSUs and in consideration therefor, that number (rounded down to the nearest whole number) of fully paid and non-assessable Sphere Common Shares equal to the product of: (A) the number of Cathedra SV Shares subject to such Accelerated Cathedra RSUs immediately prior to the Effective Time multiplied by (B) the SVS Exchange Ratio.

Following the Effective Date, the Replacement RSUs may not be exercised in the United States or by, or on behalf or for the benefit of, a U.S. Person, unless an exemption is available from the registration requirements of the U.S. Securities Laws, and the holder furnishes to Sphere an opinion of counsel or other evidence of exemption satisfactory to Sphere, acting reasonably, to such effect.

2.15 Cathedra Warrants

All unexercised outstanding Cathedra Warrants held by Cathedra Warrantholders shall, as at the Effective Time and pursuant to the Arrangement, be adjusted such that, upon any exercise thereof following the Effective Time, the holders of such Cathedra Warrants shall be entitled to receive Sphere Shares in accordance with the Plan of Arrangement.

Following the Effective Date, no Replacement Warrant may be exercised in the United States or by, or on behalf of, or for the benefit of, a U.S. Person unless an exemption is available from the

registration requirements of the U.S. Securities Laws and the holder furnishes to Sphere an opinion of counsel or other evidence of exemption satisfactory to Sphere, acting reasonably, to such effect.

2.16 Withholding Taxes

Sphere and the Depositary shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any person hereunder and from all dividends or other distributions otherwise payable to any former Cathedra Shareholder such amounts as may be required or permitted to deduct and withhold therefrom under any provision of Applicable Laws in respect of Taxes. To the extent that such amounts are so deducted, withheld and remitted, such amounts shall be treated for all purposes under this Agreement as having been paid to the person to whom such amounts would otherwise have been paid. Sphere and the Depositary are hereby authorized to sell or dispose of such portion of the Consideration Shares payable to the applicable Cathedra Shareholder as is necessary to provide sufficient funds to Sphere or the Depositary, as applicable, to enable it to comply with such deduction or withholding requirement and Sphere or the Depositary shall notify the holder thereof and remit to such holder any unapplied balance of the net proceeds of such sale. Sphere and the Depositary shall not be obligated to seek or obtain a minimum price for any of the Consideration Shares sold or disposed of by it, nor shall Sphere or the Depositary be liable for any loss arising out of any such sale or disposition.

2.17 Adjustment of Consideration

- (a) If, on or after the date of this Agreement and prior to the Effective Time, Sphere issues any Sphere RSUs or Sphere Options, the number of Consideration Shares issuable to Cathedra Shareholders shall be adjusted by recalculating the SVS Exchange Ratio and the MVS Exchange Ratio to reflect the additional Sphere Shares issuable upon the settlement of such Sphere RSUs or Sphere Options, as applicable, such that, as nearly as practicable, the relative economic value and proportionate ownership of the Cathedra Shareholders immediately prior to such issuance is preserved.
- (b) Nothing in this Section 2.17 shall derogate from the covenants, terms and conditions in this Agreement or be construed to permit Cathedra, Sphere or any of their respective Subsidiaries to take any action that is otherwise prohibited under the terms of this Agreement.

2.18 Board of Directors and Executive Officers

- (a) **Board of Directors.** Sphere shall take all necessary actions (including obtaining shareholder approval, where applicable) to ensure that upon the completion of the Arrangement the Sphere Board shall be comprised of five (5) members of which one (1) shall be a nominee of Sphere, one (1) shall be a nominee of Cathedra, and three (3) independent directors (which may comprise existing independent directors of Sphere or Cathedra), the foregoing subject to NASDAQ listing and governance standards, shareholder approval and mutual agreement among the Parties. The Parties agree that the below nominees shall be appointed to the Sphere Board on the effective date of the Transaction: Tim Hanley, Chairman of the Board, independent director and Sphere nominee; Joel Block, Cathedra nominee; Marcus Dent, independent director and Cathedra nominee; Kurt Kalbfleisch, Sphere nominee; and Nicholas Gates, independent director and mutual nominee (the **"Director Nominees"**). In the event that, prior to the Effective Time, any individual identified herein as a Director Nominee is unwilling or unable to serve in such capacity, the Party that designated such Director Nominee shall select an individual to serve in such initial Director Nominees place.

- (b) **Executive Officers.** The Parties shall take all action necessary (including, to the extent necessary, procuring the resignation or removal of any executive officer as of the Effective Time) to cause the Management Members to be the officers of Sphere immediately following the Effective Time.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF CATHEDRA

3.1 Representations and Warranties of Cathedra

Except as qualified in the Cathedra Disclosure Letter, Cathedra represents and warrants to and in favour of Sphere and Amalco Sub as follows and acknowledges that Sphere and Amalco Sub are relying upon these representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement and other transactions contemplated herein:

- (a) **Organization.** Cathedra is a corporation incorporated and validly existing under the laws of the Province of British Columbia, has all necessary corporate power and capacity to own or lease its property and assets and to carry on its business as presently owned, leased or conducted, and is duly registered, licensed or qualified to carry on business, and is in good standing, in each jurisdiction in which the character of its properties and assets, owned or leased, or the nature of its business make such qualification, registration or licensing necessary.
- (b) **Capitalization.**
 - (i) Cathedra's authorized capital consists of an unlimited number of subordinate voting shares without par value and an unlimited number of multiple voting shares without par value, of which, as of the date hereof, 8,536,902 Cathedra SV Shares and 208,446 Cathedra MV Shares are validly issued and outstanding as fully paid and non-assessable shares free of any pre-emptive rights.
 - (ii) The issued and outstanding Cathedra SV Shares are listed and posted for trading on the TSXV and quoted on the OTCQB market of the OTC Markets.
 - (iii) Schedule 3.1(b)(iii) of the Cathedra Disclosure Letter sets forth, as of the date hereof, the number of outstanding Cathedra Options, Cathedra RSUs and Cathedra Warrants, and the exercise price, vested percentage, vesting terms, expiry date, where applicable, of such Cathedra Options, Cathedra RSUs and Cathedra Warrants.
 - (iv) Except as set forth in Schedule 3.1(b)(iii) of the Cathedra Disclosure Letter, there are not now, and at the Effective Date there will not be, any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income, share price or any other attribute of Cathedra or its business or operations.
 - (v) There are not now, and at the Effective Date there will not be, any outstanding bonds, debentures or other evidences of indebtedness of Cathedra having the right to vote (or convertible into or exchangeable for securities having the right to vote) with Cathedra Shareholders or on any matter.
 - (vi) Except for 4,785,927 Cathedra SV Shares issuable on the due exercise, settlement or conversion, as applicable, of outstanding Cathedra Options, Cathedra RSUs and Cathedra Warrants, there are not now, and at the Effective

Date there will not be, any options, warrants, conversion privileges, rights, agreements, understandings, commitments or other obligations (whether by law, pre-emptive or contractual) of Cathedra to: (i) issue, sell, or deliver any shares or other ownership interests in Cathedra or securities or obligations of any kind convertible into or exchangeable for shares or other ownership interests in Cathedra; or (ii) acquire any shares of or ownership interests in any other person.

- (vii) All securities of Cathedra (including all options, warrants, rights or other convertible or exchangeable securities) have been issued in compliance with all Applicable Laws (including Applicable Securities Laws) and all securities to be issued upon due exercise of any such options, warrants, rights and other convertible or exchangeable securities in accordance with the respective terms thereof will be issued in compliance with all Applicable Laws (including Applicable Securities Laws) as fully paid and non-assessable securities of Cathedra.
- (viii) All outstanding Cathedra Securities have been recorded in the Cathedra Financial Statements in accordance with IFRS and no such grants involved any “back dating”, “forward dating”, “spring loading” or similar concepts.
- (ix) There are no outstanding contractual or other obligations of Cathedra or any of its Subsidiaries to repurchase, redeem or otherwise acquire any securities of Cathedra or any of its Subsidiaries.
- (x) Other than the Cathedra Shares, there are no securities or other instruments or obligations of Cathedra or any of its Subsidiaries that carry (or which are convertible into, or exchangeable for, securities having, except the Cathedra Options, Cathedra RSUs and Cathedra Warrants) the right to vote generally with the Cathedra Shareholders on any matter.
- (xi) All dividends or distributions on the securities of Cathedra or any of its Subsidiaries that have been declared or authorized have been paid in full.

(c) Subsidiaries.

- (i) Each of the Cathedra Subsidiaries is duly incorporated and validly existing under the laws of its jurisdiction of incorporation, has all necessary corporate power and capacity to own or lease its property and assets and to carry on its business as presently owned, leased or conducted by it, and is duly registered, licensed or qualified to carry on business, and is in good standing, in each jurisdiction in which the character of its properties and assets, owned or leased, or the nature of its business makes such qualification, registration or licensing necessary.
- (ii) The authorized share capital and the outstanding securities of each of the Cathedra Subsidiaries are as set out in Schedule 3.1(c)(ii) of the Cathedra Disclosure Letter. Except as set out in Schedule 3.1(c)(ii) of the Cathedra Disclosure Letter, Cathedra, directly or indirectly, beneficially owns all of the issued and outstanding shares and other ownership interests of each of the Cathedra Subsidiaries and all such shares and other ownership interests are duly authorized, validly issued, fully paid and non-assessable (and no such

shares have been issued in violation of any pre-emptive or similar rights). There are no contracts, commitments, agreements, understandings, arrangements or restrictions which require any Cathedra Subsidiary to issue, sell or deliver any shares in its share capital or other ownership interests, or any securities or obligations convertible into or exchangeable for, any shares of its share capital or other ownership interests.

(d) **Authority Relative to this Agreement.**

- (i) Cathedra has the corporate power and capacity to enter into and perform its obligations under this Agreement and all documents and agreements contemplated by this Agreement to which Cathedra is or will be a party.
- (ii) The execution and delivery of this Agreement by Cathedra and the performance by Cathedra of its obligations hereunder have been duly authorized by the Cathedra Board and no other corporate proceeding on the part of Cathedra is necessary to authorize this Agreement or the transactions contemplated hereby, other than the approval of:
 - (A) the Cathedra Circular and other matters relating solely thereto, by the Cathedra Board;
 - (B) materials to be filed with the Court in connection with the applications for the Interim Order and the Final Order by the Cathedra Board;
 - (C) any matters required by the Interim Order or the Final Order to be authorized by the Cathedra Board or the Cathedra Shareholders; and
 - (D) the Arrangement Resolution by the Cathedra Shareholders.
- (iii) This Agreement has been duly executed and delivered by Cathedra and constitutes a legal, valid and binding obligation of Cathedra, enforceable against Cathedra in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting creditors' rights generally and to the availability of equitable remedies.
- (iv) Except as set forth in Schedule 3.1(d)(iv) of the Cathedra Disclosure Letter, the execution and delivery by Cathedra of this Agreement does not, and the performance by Cathedra of its obligations hereunder and the completion of the Arrangement do not and will not:
 - (A) conflict with, violate or breach any provision of: (1) Cathedra's or any of the Cathedra Subsidiaries' constituting documents or any resolution of their respective directors or shareholders; or (2) any Applicable Laws in any material respect;
 - (B) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, require any consents to be obtained under, or give to others any rights of termination, amendment, acceleration or cancellation of or under, any credit agreement, note, bond, mortgage, indenture or other similar contract, agreement or instrument relating to indebtedness for borrowed money to which Cathedra or any of its Subsidiaries is a

party or by which Cathedra or any of its Subsidiaries or any of their respective properties or assets is bound or affected;

- (C) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, require any consent to be obtained under, or give to others any rights of termination, amendments, acceleration or cancellation of or under:
 - (1) any licence, permit, certificate, order, consent, approval or other authorization of Cathedra or any of its Subsidiaries or by which Cathedra, any of its Subsidiaries or any of their respective properties or assets is bound or affected, that would, individually or in the aggregate, have a Material Adverse Effect on Cathedra or would prevent or delay completion of the Arrangement;
 - (2) any agreement, arrangement, commitment or understanding to which Cathedra or any of its Subsidiaries is a party or by which Cathedra, any of its Subsidiaries or any of their respective properties or assets is bound or affected that would, individually or in the aggregate, have a Material Adverse Effect on Cathedra or would prevent or delay completion of the Arrangement;
- (D) except for the Cathedra Permitted Encumbrances, result in the imposition of an Encumbrance upon any of the properties or assets of Cathedra of any of its Subsidiaries that would, individually or in the aggregate, have a Material Adverse Effect on Cathedra; or
- (E) give rise to any option, right of first refusal or similar right becoming exercisable by a third party that would have a Material Adverse Effect on Cathedra or prevent or delay the completion of the Arrangement.

(v) (A) The Cathedra Board has received an oral fairness opinion from Evans and Evans, Inc., to be subsequently confirmed in writing; (B) the Cathedra Board has unanimously determined (with the exception of any directors on the Cathedra Board that have abstained from voting due to a conflict of interest) that the Arrangement is in the best interests of Cathedra and accordingly, has approved the entering into of this Agreement and has made a recommendation that Cathedra Shareholders vote in favour of the Arrangement Resolution; and (C) each director or officer has advised Cathedra that he or she intends to vote all Cathedra Shares held by him or her, directly or indirectly, in favour of the Arrangement Resolution.

(vi) There are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements to which Cathedra or the Cathedra Subsidiaries are a party, other than as set out in Schedule 3.1(d)(vi) of the Cathedra Disclosure Letter.

(e) **Securities Law Matters.**

- (i) Cathedra is a "reporting issuer" in good standing or the equivalent under the Applicable Canadian Securities Laws of the Provinces and Territories, as applicable, of Alberta, British Columbia, Manitoba, New Brunswick,

Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon.

- (ii) Except as set forth in Schedule 3.1(e)(ii) of the Cathedra Disclosure Letter, since January 1, 2025, Cathedra has prepared and timely filed with appropriate Securities Authorities all documents required to be filed by it under Applicable Canadian Securities Laws and such documents, as of the time they were filed:
 - (A) did not contain any misrepresentations (as defined in Applicable Canadian Securities Laws relating to such document);
 - (B) did not fail to state a material fact required to be stated in order to make the statements contained in such document not misleading in light of the circumstances in which they were made; and
 - (C) complied in all material respects with the requirements of Applicable Securities Laws.
- (iii) Cathedra has not filed a confidential material change report or the equivalent thereof under Applicable Securities Laws with any Governmental Authority that currently remains confidential.
- (iv) None of the Cathedra Subsidiaries are considered to be a “reporting issuer” under Applicable Securities Laws.
- (v) Cathedra is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the TSXV. Except as done in connection with the Arrangement, Cathedra has not taken any action which would be reasonably expected to result in the delisting or suspension of the Cathedra SV Shares on or from the TSXV.

(f) **Financial Matters.**

- (i) Except as set forth in Schedule 3.1(f)(i) of the Cathedra Disclosure Letter, Cathedra’s audited annual consolidated financial statements as at and for the fiscal years ended December 31, 2024, 2023 and 2022 (including the notes thereto) (the “**Cathedra Financial Statements**”) complied as to form in all material respects with the published rules and regulations of the Canadian Securities Authorities with respect thereto as of their respective date, and were prepared in accordance with IFRS consistently applied (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of the audited consolidated financial statements, in the related report of Cathedra’s independent auditors, or (ii) in the case of unaudited consolidated interim financial statements, are subject to normal period-end adjustments and may omit notes which are not required by Applicable Laws in the unaudited statements) and fairly present, in all material respects, the consolidated financial position, results of operations and cash flows of Cathedra and the Cathedra Subsidiaries as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited consolidated interim financial statements, to normal period-end adjustments) and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of Cathedra and the Cathedra Subsidiaries on a consolidated basis. There

has been no material change in Cathedra's accounting policies, except as described in the notes to the Cathedra Financial Statements, since December 31, 2024.

- (ii) The accounts receivables of Cathedra as reflected on the Cathedra Financial Statements arose from bona fide transactions in the ordinary course of business, and to the knowledge of Cathedra, are good and collectible accounts in the ordinary course of business subject to an allowance for doubtful accounts taken in accordance with IFRS.
 - (iii) Except for Cathedra Permitted Encumbrances, neither Cathedra nor the Cathedra Subsidiaries have assigned or otherwise encumbered the revenue, if any, derived from the Cathedra Assets.
- (g) **Material Liabilities.** Except as disclosed in the Cathedra Public Record or Schedule 3.1(g) of the Cathedra Disclosure Letter, neither Cathedra nor any of its Subsidiaries have any material liabilities or material obligations of any nature (whether contingent or absolute, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due, including any liability for Taxes), including guarantees, support obligations or other similar obligations with respect to the obligations of any person, except liabilities and obligations adequately reflected or reserved against in the audited financial statements of Cathedra as at and for the financial year ended December 31, 2024 or incurred in the ordinary course of business since the end of such period.
- (h) **Books and Records.** Except as set forth in Schedule 3.1(h) of the Cathedra Disclosure Letter, the corporate records and minute books of Cathedra and the Cathedra Subsidiaries have been maintained in accordance with all Applicable Laws and are complete and accurate, in each case in all material respects. Except as set forth in Schedule 3.1(h) of the Cathedra Disclosure Letter, financial books and records and accounts of Cathedra and the Cathedra Subsidiaries: (i) have been maintained in accordance with Applicable Laws, IFRS and good business practices on a basis consistent with prior years and past practice; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Cathedra and the Cathedra Subsidiaries; and (iii) accurately and fairly reflect the basis for the consolidated financial statements of Cathedra, in each case of sub-clause (i)-(iii), in all material respects.
- (i) **Disclosure Controls and Procedures.** Cathedra has devised and maintained a system of "disclosure controls and procedures" (as such term is defined in National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*) designed to ensure that information required to be disclosed by Cathedra under Applicable Securities Laws is recorded, processed, summarized and reported within the time periods specified in the Applicable Securities Laws. Such disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by Cathedra in the reports and other filings under Applicable Securities Laws is accumulated and communicated to Cathedra's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

- (j) **Internal Control over Financial Reporting.** Cathedra maintains “internal control over financial reporting” (as such term is defined in National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*). Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of Cathedra and the Cathedra Subsidiaries; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of Cathedra and the Cathedra Subsidiaries are being made only in accordance with authorizations of management and directors of Cathedra and the Cathedra Subsidiaries; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Cathedra’s and the Cathedra Subsidiaries’ assets that could have a material effect on its financial statements. To the knowledge of Cathedra, prior to the date of this Agreement: (A) there are no significant deficiencies in the design or operation of, or material weaknesses in, Cathedra’s internal controls over financial reporting that are reasonably likely to adversely affect the ability to record, process, summarize and report financial information on or after the Effective Time, and (B) there is no fraud, whether or not material, that involves management or other employees who have a significant role in Cathedra’s internal control over financial reporting. Since January 1, 2025, Cathedra has received no (x) material complaints from any source regarding accounting, internal accounting controls or auditing matters or (y) expressions of concern from employees of Cathedra regarding questionable accounting or auditing matters.
- (k) **Absence of Changes.** Except as disclosed in the Cathedra Public Record or Schedule 3.1(k) of the Cathedra Disclosure Letter, since January 1, 2025, Cathedra and each of its Subsidiaries has conducted its business only in the ordinary course of business and consistent with past practice and:
- (i) no Material Adverse Change has occurred with respect to Cathedra;
 - (ii) neither Cathedra nor any of its Subsidiaries have incurred liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise) which would, individually or the aggregate, have a Material Adverse Effect on Cathedra;
 - (iii) neither Cathedra nor any of its Subsidiaries have experienced any damage, destruction or loss, whether covered by insurance or not, that would have a Material Adverse Effect on Cathedra;
 - (iv) neither Cathedra nor any of its Subsidiaries have acquired or sold or committed to acquire or sell property or assets aggregating more than five percent (5%) of Cathedra’s total consolidated property and assets as at December 31, 2024;
 - (v) neither Cathedra nor any of its Subsidiaries have entered into, amended, relinquished, terminated or failed to renew any material agreement, arrangement, commitment, understanding, licence, permit, certificate, order, consent, approval or authorization that would individually or in the aggregate, have a Material Adverse Effect on Cathedra;

- (vi) there has been no increase in or modification to the compensation payable or to become payable by Cathedra to any of its directors, officers or employees, or any grant by Cathedra to any of its directors, officers or employees of any increase in severance or termination pay, except in the ordinary course of business;
 - (vii) there has not been any increase in or modification to any Employee Plan for any of Cathedra's current or former employees or consultants (or their relatives), except in the ordinary course of business or pursuant to ordinary course annual increases;
 - (viii) Cathedra has not made any material change in its accounting methods, principles or practices, including the basis upon which its assets and liabilities are recorded on its books or its earnings, profits and losses are ascertained;
 - (ix) Cathedra has not amended its constating documents or those of any of the Cathedra Subsidiaries;
 - (x) Cathedra has not declared, paid or set aside for payment any dividend or distribution of any kind in respect of any of its outstanding securities or made any repayments of capital;
 - (xi) Cathedra has not redeemed, repurchased or otherwise acquired any Cathedra Shares;
 - (xii) no resolution to approve a subdivision, consolidation or reclassification of any of the Cathedra Shares has been approved by or presented to the Cathedra Shareholders; and
 - (xiii) neither Cathedra nor any of its Subsidiaries have entered into any agreements, arrangements, commitments or understandings to take any action which, if taken prior to the date of this Agreement, would have made any representation or warranty of Cathedra in this Agreement materially untrue or incorrect as of the date when made.
- (l) **Restrictions on Business Activities.** There are no agreements, arrangements, commitments, understandings, judgments, orders, warrants, writs, injunctions or decrees binding upon Cathedra or any of its Subsidiaries that has or could have the effect of prohibiting or materially restricting or impairing any business practice of Cathedra or any of its Subsidiaries, any acquisition of property or assets by Cathedra or any of its Subsidiaries or the conduct of business by Cathedra or any of its Subsidiaries as currently conducted, other than any such agreements, arrangements, commitments, understandings, judgments, orders, awards, writs, injunctions or decrees which would not, individually or in the aggregate, have a Material Adverse Effect on Cathedra.
- (m) **Compliance.** Cathedra and each of its Subsidiaries have complied with and is not in violation of (i) its constating documents, or any resolution of its directors or shareholders; or (ii) any Applicable Laws; other than instances of non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Cathedra. None of Cathedra or any of its Subsidiaries or, to the knowledge of Cathedra, any of their respective directors or officers, is under any investigation with respect to, has been convicted, charged or, to the knowledge of Cathedra, threatened to be charged with, or has received notice of, any violation or potential

violation of any Law from any Governmental Authority, in each case, that could be expected to be material to Cathedra and its Subsidiaries.

- (n) **Regulatory Approvals.** No consent, approval, order or authorization of, or filing with, any Governmental Authority with jurisdiction over Cathedra, the Cathedra Subsidiaries or any of their respective properties, assets or businesses is required to be obtained by Cathedra or any of its Subsidiaries in connection with the execution and delivery by Cathedra of this Agreement, the performance by Cathedra of its obligations hereunder or the completion of the Arrangement other than:
 - (i) in connection with or in compliance with Applicable Securities Laws;
 - (ii) obtaining the Interim Order and Final Order, obtaining any approvals required by the Interim Order or the Final Order and filing any documents as may be required to be filed with the Registrar; and
 - (iii) authorizations, consents, approvals, orders or filings, the failure of which to obtain or make would not, individually or in the aggregate, prevent or delay completion of the Arrangement or have a Material Adverse Effect on Cathedra.
- (o) **Licenses and Permits.** Cathedra and each of its Subsidiaries owns, possesses or has obtained, and is in compliance in all material respects with, all material licenses, permits, certificates, orders, consents, approvals and other authorizations of or from any Governmental Authority required by Applicable Laws which are necessary to lawfully conduct its businesses as it is now being conducted or as intended to be conducted as set forth in the Cathedra Public Record or which are necessary for the lawful ownership, use and occupation of its properties and assets, except for such licenses, permits, certificates, orders, consents, approvals or authorizations the failure to own, possess or obtain, and be in compliance with, would not, individually or in the aggregate, have a Material Adverse Effect on Cathedra. All such permits are in full force and effect and, to the knowledge of Cathedra, there are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or be in compliance with such permits as are necessary to conduct the business of Cathedra or its Subsidiaries as it is proposed to be conducted. Each such permit can be renewed in the ordinary course of business by Cathedra or its Subsidiaries. Neither Cathedra nor any of its Subsidiaries has received a notice of any actual or threatened proceeding to modify, suspend, revoke, withdraw, terminate or otherwise limit any such permit and, to the knowledge of Cathedra, there is no valid basis for any such proceeding, including on the basis of the transactions contemplated hereby. Neither Cathedra nor any of its Subsidiaries has received any notice of any actual or threatened administrative or governmental action or proceeding in connection with the expiration, continuance or renewal of any such permit and, to the knowledge of Cathedra, there is no valid basis for any such proceeding.
- (p) **Material Contracts.** Schedule 3.1(p) of the Cathedra Disclosure Letter sets forth a complete and accurate list of the Cathedra Material Contracts as of the date hereof. Each Cathedra Material Contract is a valid and binding agreement of Cathedra or a Cathedra Subsidiary and, to the knowledge of Cathedra, each other party thereto, and is in full force and effect, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting creditors' rights generally and to the availability of equitable remedies. Neither Cathedra nor any of its Subsidiaries is in breach of, and no event of default (including an event which with notice or lapse of time or both would become a default) relating to

Cathedra or any of the Cathedra Subsidiaries has occurred under any Cathedra Material Contract and, to the knowledge of Cathedra, none of the other parties to any of the Cathedra Material Contracts are in breach of and no event of default (including an event which with notice or lapse of time or both would become a default) relating to such other party has occurred under any of the Cathedra Material Contracts, except for breaches or events of default that have been cured or waived or breaches or events of default that would not, individually or in the aggregate, have a Material Adverse Effect on Cathedra.

(q) Employment Matters.

- (i) Schedule 3.1(q) of the Cathedra Disclosure Letter contains a complete and accurate list as of the date hereof of employees and consultants (including independent contractors) of Cathedra and the Cathedra Subsidiaries with an estimated annual aggregate compensation (calculated on the basis of base salary or consulting fees as applicable and cash bonus, if any, paid during the year ended December 31, 2025) in excess of \$50,000 including their respective location, hire date, position, engagement type, salary or fees, benefits and current status (full-time, part-time, consultant, active, non-active), as well as a list of all former employees and consultants of Cathedra or a Cathedra Subsidiary in the past twelve (12) months that had an annual aggregate compensation in excess of \$50,000 to whom Cathedra or any of the Cathedra Subsidiaries has or may have any obligations, indicating the nature and value of such obligations.
- (ii) No employee or consultant listed in Schedule 3.1(q) of the Cathedra Disclosure Letter has provided written notice to Cathedra or any of its Subsidiaries that he or she intends to resign, retire or terminate his or her employment or engagement with Cathedra or any of its Subsidiaries as a result of the transactions contemplated by this Agreement or otherwise.
- (iii) All amounts due or accrued due for all salary, wages, bonuses, incentive compensation, deferred compensation, commissions, consulting fees vacation with pay, sick days and benefits under any Cathedra Employee Plans and other similar accruals have either been paid or are accrued and accurately reflected in all material respects in the books and records of Cathedra and its Subsidiaries.
- (iv) Except as set forth in Schedule 3.1(q)(iv) of the Cathedra Disclosure Letter, there are no written or oral agreements, obligations or understandings providing for severance, termination or other payments to any director, officer, employee or consultant of Cathedra or any of its Subsidiaries that would be triggered by the completion of the transactions contemplated by this Agreement, except for obligations to provide reasonable notice to employees or consultants hired for indefinite terms who are dismissed without cause.
- (v) All individuals who provide services to Cathedra or a Cathedra Subsidiary, including employees and consultants, have at all times been accurately classified by Cathedra and such Subsidiary with respect to such services as an employee or a non-employee for all purposes, including wages, payroll taxes and participation, and benefit accrual under each Cathedra Employee Plan.

- (vi) There are no current, pending or, to the knowledge of Cathedra, threatened strikes or lockouts at any of Cathedra's or a Cathedra Subsidiary's facilities affecting employees or consultants.
- (vii) None of Cathedra or any of the Cathedra Subsidiaries are subject to any claim for wrongful dismissal, constructive dismissal or any other claim in contract or in tort, nor is any such claim or any litigation, arbitration or mediation pending or, to the knowledge of Cathedra, threatened, relating to employment or termination of employment of employees or consultants (including independent contractors), other than claims, litigation, arbitration or mediation that, individually or in aggregate, amount to less than \$50,000.
- (viii) Cathedra and the Cathedra Subsidiaries have, at all times during the past four (4) years, operated in all material respects in accordance with all Applicable Laws with respect to employment and labour, and independent contractor relationships, including employment and labour standards, occupational health and safety laws, workers' compensation, social insurance and pension contribution, human rights and labour relations, and there are, and during the past four (4) years have been, no pending or, to the knowledge of Cathedra, threatened proceedings against Cathedra or any of the Cathedra Subsidiaries before any Governmental Authority with respect to any of the foregoing matters, other than claims, litigation, arbitration or proceedings that, individually or in aggregate, amount to less than \$50,000.
- (ix) None of Cathedra and the Cathedra Subsidiaries is a party to or bound by or subject to any collective agreement, has not made any commitment to, or conducted any negotiation or discussion with, any labour union or employee association with respect to any future agreement or arrangement, is not required to recognize any labour union or employee association representing its employees or any agent having bargaining rights for its employees and, to the knowledge of Cathedra, there is no current attempt to organize, certify or establish any labour union or employee association with respect to employees or consultants.

(r) Employee Plans.

- (i) Schedule 3.1(r)(i) of the Cathedra Disclosure Letter contains a complete list as of the date hereof of all Employee Plans of Cathedra. All of the Employee Plans of Cathedra are and have been established, registered, qualified, funded and administered in accordance with all Applicable Laws, and in accordance with their terms, the terms of the material documents that support such Employee Plans and the terms of agreements between Cathedra and/or any of its Subsidiaries, as the case may be, and their respective employees and former employees who are members of, or beneficiaries under, the Employee Plans.
- (ii) All current obligations of Cathedra or any of the Cathedra Subsidiaries regarding the Employee Plans have been satisfied in all material respects. All contributions, premiums or Taxes required to be made or paid by Cathedra or a Cathedra Subsidiary, as the case may be, under the terms of each Employee Plan or by Applicable Laws in respect of the Employee Plans have been made in a timely fashion in accordance with Applicable Laws and in accordance with the terms of the applicable Employee Plan. As at the date

hereof, no currently outstanding notice of underfunding, non-compliance, failure to be in good standing or otherwise has been received by Cathedra or any of the Cathedra Subsidiaries from any applicable Governmental Authority in respect of any Employee Plan that is a pension or retirement plan.

- (iii) To the knowledge of Cathedra, no Employee Plan is subject to any pending investigation, examination or other proceeding, action or claim initiated by any Governmental Authority, or by any party (other than routine claims for benefits) and, to the knowledge of Cathedra, there exists no state of facts which after notice or lapse of time or both would reasonably be expected to give rise to any such investigation, examination or other proceeding, action or claim or to affect the registration or qualification of any Employee Plan required to be registered or qualified.
- (iv) Except as set forth in Schedule 3.1(r)(iv) of the Cathedra Disclosure Letter, the execution and delivery of this Agreement, the performance by Cathedra of its obligations under this Agreement and the completion of the Arrangement will not constitute an event or condition under any Employee Plan that entitles an employee or former employee to a payment, promise of payment, acceleration or vesting of any other benefit to which that individual would not otherwise be entitled.
- (s) **Real Property.** Except as disclosed in Schedule 3.1(s) of the Cathedra Disclosure Letter (the “**Cathedra Real Property**”), neither Cathedra nor any Cathedra Subsidiary leases, owns, has any freehold interest in, or is a party to or bound by or subject to any agreement, contract, commitment, or option to purchase, any freehold interest in real or immovable property. Title to the owned Cathedra Real Property is good and marketable, free and clear of all Encumbrances, except for the Cathedra Permitted Encumbrances. Each lease in respect of any leased Cathedra Real Property is in good standing, legal, valid, binding and full force and effect, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting creditors’ rights generally and to the availability of equitable remedies. There is no event of breach or default, or any event which, with the giving of notice, the lapse of time or both, would become an event of default, under any lease respecting the leased Cathedra Real Property, except for breaches or events of default that have been cured. To the knowledge of Cathedra, the operation and maintenance by Cathedra and the Cathedra Subsidiaries of the Cathedra Real Property is in material compliance with any restrictive covenants registered or recorded against title to the Cathedra Real Property and does not materially encroach on any property owned by others. To the extent payable by Cathedra or any Cathedra Subsidiary, all payments have been made in respect of (i) local, state and/or federal taxes with respect to the Cathedra Real Property; and (ii) the use of water and electricity with respect to the Cathedra Real Property, in each case, to the extent due and owing.
- (t) **Intellectual Property Matters**
 - (i) Schedule 3.1(t)(i) of the Cathedra Disclosure Letter sets forth:
 - (A) all Cathedra Intellectual Property of which Cathedra or a Cathedra Subsidiary is not the exclusive owner, identifying the subject matter,

any related registration, and the limits on ownership by Cathedra or such Cathedra Subsidiary,

(B) all Cathedra Intellectual Property that Cathedra or a Cathedra Subsidiary uses pursuant to license or sublicense of a third party listing the subject matter, any ancillary registration, the source of authorization and the owner, and except as expressly disclosed pursuant to this subsection, neither Cathedra nor a Cathedra Subsidiary is a party to any contract or commitment to pay any royalty, license or other fee with respect to the use of the Cathedra Intellectual Property, and

(C) all Cathedra Intellectual Property that Cathedra or a Cathedra Subsidiary owns jointly with a third party;

- (ii) except as set out in Schedule 3.1(t)(ii) of the Cathedra Disclosure Letter, neither Cathedra nor a Cathedra Subsidiary has registered any patent, industrial design, trademark, tradename, copyright or other registration with respect to any Cathedra Intellectual Property anywhere in the world and there is no pending application or application for registration that Cathedra or a Cathedra Subsidiary has made with respect to any Cathedra Intellectual Property anywhere in the world;
- (iii) the Cathedra Intellectual Property includes all of the material Intellectual Property necessary for the operation of the ordinary course of business of Cathedra and the Cathedra Subsidiaries, as presently conducted and as presently proposed to be conducted;
- (iv) except as set forth in Schedule 3.1(t)(iv) of the Cathedra Disclosure Letter, Cathedra or a Cathedra Subsidiary owns exclusively or has the right to use pursuant to license or sublicense all Cathedra Intellectual Property. Each Cathedra Intellectual Property owned or used by Cathedra or a Cathedra Subsidiary immediately prior to the Effective Date will be owned or available for use by Cathedra or such Cathedra Subsidiary on substantially similar terms and conditions immediately subsequent to the Effective Date;
- (v) no consents are required for any Cathedra Intellectual Property that is required to be licensed or sublicensed to any third party in connection with Cathedra's and the Cathedra Subsidiaries' business to be so licensed or sublicensed to any third party;
- (vi) neither Cathedra nor a Cathedra Subsidiary has granted any third party any license, sublicense agreement or other permission with respect to any Cathedra Intellectual Property or the use of any Cathedra Intellectual Property;
- (vii) Cathedra and the Cathedra Subsidiaries have taken all commercially reasonable actions to maintain and protect all of the Cathedra Intellectual Property owned by Cathedra or a Cathedra Subsidiary. No owned Cathedra Intellectual Property has been abandoned. Each Cathedra Intellectual

Property used by Cathedra or a Cathedra Subsidiary pursuant to license or sublicense is being used by Cathedra or a Cathedra Subsidiary in compliance in all material respects with the terms of the applicable license and the execution, delivery and performance of this Agreement by the parties hereto will not impair such authorized use;

- (viii) to the knowledge of Cathedra, no third party has interfered with, infringed upon, misappropriated or otherwise come into conflict with any Cathedra Intellectual Property rights of Cathedra or a Cathedra Subsidiary; and
- (ix) except as set forth in Schedule 3.1(t)(ix) of the Cathedra Disclosure Letter, the ordinary course of business of Cathedra and the Cathedra Subsidiaries, as presently conducted does not, and neither Cathedra nor a Cathedra Subsidiary has interfered with, infringed upon, misappropriated, misused, violated or otherwise come into conflict with any Intellectual Property rights of any third party, and neither Cathedra nor a Cathedra Subsidiary has received notice of any, and there is, no action, suit, proceeding, hearing, charge, complaint, claim, demand, or to the knowledge of Cathedra, investigation that is pending or, to the knowledge of Cathedra, threatened that challenges or limits the legality, validity, enforceability, use or ownership of the Cathedra Intellectual Property (including any claim that Cathedra or a Cathedra Subsidiary must license or refrain from using any Intellectual Property rights of any third party) and neither Cathedra nor a Cathedra Subsidiary is subject to any outstanding injunction, judgment, order, decree, ruling or charge regarding same.

(u) **Digital Assets; Bitcoin Miners.**

- (i) Except as set forth on Schedule 3.1(u)(i) of the Cathedra Disclosure Letter, Cathedra and its Subsidiaries deposit substantially all of their crypto-assets, including any bitcoin mined, in digital wallets held or operated by Cathedra and its Subsidiaries (the “**Cathedra Wallets**”). There are no Encumbrances (other than Cathedra Permitted Encumbrances) on, or rights of any person to, the Cathedra Wallets or the crypto-assets contained in such Cathedra Wallets. Cathedra and its Subsidiaries have taken commercially reasonable steps to protect the Cathedra Wallets and crypto-assets, including by adopting security protocols to prevent, detect and mitigate inappropriate or unauthorized access to the Cathedra Wallets and crypto-assets.
- (ii) Except as set forth on Schedule 3.1(u)(ii) of the Cathedra Disclosure Letter, Cathedra and its Subsidiaries have the exclusive ability to control, including by use of “private keys” or other equivalent means or through custody arrangements or other equivalent means, all of the crypto-currencies, blockchain-based tokens, and other blockchain asset equivalents applicable to the business of Cathedra and its Subsidiaries (collectively, the “**Cathedra Digital Assets**”) set forth on Schedule 3.1(u)(ii) of the Cathedra Disclosure Letter, free and clear of all Encumbrances (other than Cathedra Permitted Encumbrances). Neither Cathedra nor any Cathedra Subsidiary have taken any actions where it owns a substantial portion of all outstanding tokens in the then existing issued and circulating supply of such tokens on a blockchain

to effectuate change through the governance process of that relevant blockchain that would reasonably foreseeably disrupt the continued existence, validity, legality, governance or public availability of the relevant blockchains.

- (iii) Cathedra and its Subsidiaries currently own and operate approximately 400 petahashes per second (PH/s) of compute capacity primarily for the mining of bitcoin.
- (iv) Schedule 3.1(u)(iv) of the Cathedra Disclosure Letter provides a reasonable estimate, as of the date hereof, of all bitcoin or other cryptocurrency miners owned or leased by Cathedra and its Subsidiaries ("**Cathedra Miners**"). All Cathedra Miners are owned or rightfully possessed by, operated by and under the control of Cathedra and its Subsidiaries. Except as set forth in Schedule 3.1(u)(iv) of the Cathedra Disclosure Letter, there has been no failure, breakdown or continued substandard performance of any Cathedra Miners that has caused a material disruption or interruption in or to the use of the Cathedra Miners or the related operation of the business of Cathedra and its Subsidiaries. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Cathedra, the Cathedra Miners are generally maintained and in good working condition to perform all computing, information technology and data processing operations necessary for the operations of Cathedra and its Subsidiaries. Cathedra and its Subsidiaries have taken commercially reasonable steps to: (i) protect the Cathedra Miners from malware and other contaminants, hacks and other malicious external or internal threats; (ii) ensure continuity of operations with adequate energy supply and minimal uptime required; and (iii) provide for the remote-site back-up of data and information critical to Cathedra and its Subsidiaries. Cathedra and its Subsidiaries have in place commercially reasonable disaster recovery and business continuity plans and procedures and information and data security policies, in each case, that are consistent with generally accepted industry standards. Cathedra's and its Subsidiaries' use, provision, disclosure and transfer of Cathedra Miners and Cathedra Digital Assets and related services, has complied with all Applicable Laws in all material respects, including all applicable financial services and Money Laundering Laws. Neither Cathedra nor any Cathedra Subsidiary has participated in any cryptocurrency tumbler or equivalent services.

(v) **Environmental Matters.**

- (i) To the knowledge of Cathedra, neither Cathedra nor any of its Subsidiaries has been in violation of any applicable Environmental Laws in connection with the ownership, use, maintenance or operation of the Cathedra Assets. Neither Cathedra nor any of its Subsidiaries has received any inquiry from or notice of a pending investigation or threatened investigation from any governmental agency or of any administrative or judicial proceeding concerning the violation of any such Environmental Laws.
- (ii) Neither Cathedra nor any of its Subsidiaries has any material environmental liabilities outstanding. To the knowledge of Cathedra, no Hazardous Substances have been used in the operation of Cathedra's and its Subsidiaries'

business except those Hazardous Substances used in the ordinary course of business, and to the knowledge of Cathedra there has been no Release of any such Hazardous Substances in the operation of the Cathedra's and its Subsidiaries' business in contravention or violation of any laws, regulations, rules or approvals created by a Governmental Authority applicable to Cathedra or its Subsidiaries.

(w) Title to Assets

- (i) Cathedra is the owner, directly or through the Cathedra Subsidiaries, of and has good and marketable title to all of the Cathedra Assets, including all of the Cathedra Assets listed in Schedule 3.1(w)(i) of the Cathedra Disclosure Letter and all of the Cathedra Assets reflected in the Cathedra Financial Statements, and all properties and assets acquired by Cathedra and the Cathedra Subsidiaries after the date of the Cathedra Financial Statements, free and clear to its knowledge of all Encumbrances whatsoever, except for Cathedra Permitted Encumbrances or the Encumbrances disclosed or reflected in the Cathedra Financial Statements.
- (ii) Except as set out in Schedule 3.1(w)(ii) of the Cathedra Disclosure Letter or as provided for under the Cathedra Material Contracts or the Cathedra Financial Statements, no persons other than Cathedra or the Cathedra Subsidiaries owns any Cathedra Assets which are being used in the ordinary course of business of Cathedra and there are no agreements or commitments by Cathedra or the Cathedra Subsidiaries to purchase material property or assets, other than in the ordinary course of business.
- (iii) The Cathedra Material Contracts include the only material documents and contracts currently in effect under and by virtue of which Cathedra and the Cathedra Subsidiaries are entitled to the Cathedra Assets or which otherwise relate to or affect the interest of Cathedra and the Cathedra Subsidiaries in the Cathedra Assets, other than documents that are not in the possession or control of Cathedra or the Cathedra Subsidiaries, of which to the knowledge of Cathedra, there are none.

- (x) Cathedra and the Cathedra Subsidiaries, as lessees, have the right under valid and subsisting leases to use, possess and control all personal property forming part of the Cathedra Assets that are leased by and material to Cathedra or any of the Cathedra Subsidiaries as used, possessed and controlled by Cathedra or the Cathedra Subsidiaries, as applicable.

(y) Litigation.

- (i) Except as set out in Schedule 3.1(y) of the Cathedra Disclosure Letter:
 - (A) there is no claim, suit, action, arbitration, review, proceeding or investigation, pending, or to the knowledge of Cathedra, threatened by or against Cathedra or any of the Cathedra Subsidiaries or affecting any of their respective properties, assets or businesses before or by any Governmental Authority that if adversely determined, individually or in the aggregate, would have a Material Adverse Effect on Cathedra or prevent or delay consummation of the Arrangement

or the other transactions contemplated by this Agreement, nor to the knowledge of Cathedra is there any basis for any such claim, suit, action, arbitration, review, proceeding or investigation; and

- (B) neither Cathedra, nor any of its Subsidiaries, nor any of their respective properties or assets, is subject to any outstanding judgment, order, decision, ruling, award, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of Cathedra or the Cathedra Subsidiaries, as the case may be, to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would prevent or delay consummation of the Arrangement or the other transactions contemplated by this Agreement.
- (z) **Bankruptcy.** None of Cathedra or any of the Cathedra Subsidiaries is insolvent within the meaning of applicable bankruptcy, insolvency or fraudulent conveyance Laws. No act or proceeding has been taken by or against Cathedra or any of the Cathedra Subsidiaries in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of Cathedra or any of the Cathedra Subsidiaries nor, to the knowledge of Cathedra, is any threatened, or for the appointment of a trustee, receiver, manager or other administrator of Cathedra or any of the Cathedra Subsidiaries or any of their respective properties or assets. None of Cathedra or any of the Cathedra Subsidiaries has sought protection under the *Bankruptcy and Insolvency Act* (Canada) or the *Company Creditors Arrangement Act* (Canada) or applicable bankruptcy legislation outside Canada.
- (aa) **Insurance.** Cathedra and the Cathedra Subsidiaries have as of the date hereof policies of insurance as set forth in Schedule 3.1(aa) of the Cathedra Disclosure Letter and such policies are in full force and effect as of the date hereof and will remain in full force and effect to and including the Effective Date and will not be cancelled or otherwise terminated as a result of the Arrangement or the other transactions contemplated by this Agreement other than such cancellations as would not, individually or in the aggregate, have a Material Adverse Effect on Cathedra.
- (bb) **Tax Matters.**
 - (i) Except as disclosed in Schedule 3.1(bb)(i) of the Cathedra Disclosure Letter Cathedra and each Cathedra Subsidiary has duly and in a timely manner made or prepared all Tax Returns required to be made or prepared by it, and duly and in a timely manner filed all Tax Returns required to be filed by it with the appropriate Governmental Authority, such Tax Returns are complete and correct in all material respects and Cathedra and each Cathedra Subsidiary has paid all Taxes, including instalments on account of Taxes for the current year required by Applicable Law, which are due and payable by it whether or not assessed by the appropriate Governmental Authority and Cathedra has provided adequate accruals in accordance with IFRS in the most recently published financial statements of Cathedra for any Taxes for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or

otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business;

- (ii) Cathedra and each Cathedra Subsidiary have duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit or any person) and has duly and timely remitted to the appropriate Governmental Authority such Taxes or other amounts required by Applicable Law to be remitted by it;
- (iii) Cathedra and each Cathedra Subsidiary have duly and timely collected all amounts on account of any sales or transfer Taxes, including goods and services, harmonized sales and provincial and territorial taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Authority such amounts required by Law to be remitted to it;
- (iv) neither Cathedra nor any Cathedra Subsidiary has requested, offered to enter into or entered into any agreement or other arrangement, or executed any waiver, providing for any extension of time within which: (A) to file any Tax Return covering any Taxes for which Cathedra or any Cathedra Subsidiary is or may be liable; (B) to file any elections, designations or similar filings relating to Taxes for which Cathedra or any Cathedra Subsidiary is or may be liable; (C) Cathedra or any Cathedra Subsidiary is required to pay or remit any Taxes or amounts on account of Taxes; or (D) any Governmental Authority may assess or collect Taxes for which Cathedra or any Cathedra Subsidiary is or may be liable;
- (v) Except as disclosed in Schedule 3.1(bb)(i) of the Cathedra Disclosure Letter and other than ordinary course audits and claims and/or as disclosed in Cathedra's Public Record, there are no proceedings, investigations, audits or claims in progress or pending or, to the knowledge of Cathedra, threatened against Cathedra nor any Cathedra Subsidiary in respect of Taxes and there are no matters under discussion, audit or appeal with any Governmental Authority relating to Taxes;
- (vi) neither Cathedra nor any Cathedra Subsidiary has acquired property from a non-arm's length person, within the meaning of the Income Tax Act: (A) for consideration the value of which is less than the fair market value of the property; or (B) as a contribution of capital for which no shares were issued by the acquirer of the property;
- (vii) Cathedra has made available to Sphere true and correct copies of: (A) all Tax Returns relating to the Taxes of Cathedra or any Cathedra Subsidiary that to the knowledge of Cathedra have been filed in the last three (3) years; and (B) all material written communications to or from any Governmental Authority relating to the Taxes of Cathedra or any Cathedra Subsidiary that to the knowledge of Cathedra has been received or sent in the last three (3) years;
- (viii) for the purposes of the Income Tax Act, (A) Cathedra and Fortress Blockchain Holdings Corp. are resident in Canada and are taxable Canadian corporations; (B) for all purposes of the Internal Revenue Code Cathedra is also classified

as a domestic corporation through the application of section 7874 of the Internal Revenue Code; and (C) all Cathedra Subsidiaries except for Fortress Blockchain Holdings Corp. are non-residents of Canada; and

- (ix) there are no Encumbrances for Taxes upon any properties or assets of Cathedra or of any of the Cathedra Subsidiaries (other than Liens relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the consolidated balance sheet included in Cathedra audited consolidated financial statements as at and for the fiscal year ended December 31, 2024).
- (cc) **Finder's Fee.** Except as set forth in Schedule 3.1(cc) of the Cathedra Disclosure Letter, there is no investment banker, broker, finder or other intermediary that has been retained or is authorized to act on behalf of Cathedra or any of the Cathedra Subsidiaries who might be entitled to any fee or commission from Cathedra or any of the Cathedra Subsidiaries in connection with the transactions contemplated by this Agreement.
- (dd) **Absence of Cease Trade Orders.** No order ceasing or suspending trading of the Cathedra SV Shares, or any other securities of Cathedra has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of Cathedra, are pending, contemplated or threatened under and Securities Laws or by any other regulatory authority.
- (ee) **Related Party Transactions.** Except as set forth in Schedule 3.1(ee) of the Cathedra Disclosure Letter:
 - (i) there are no contracts or other transactions currently in place between Cathedra or any Cathedra Subsidiary, on the one hand, and (A) any officer or director of Cathedra or any Cathedra Subsidiary, any affiliate or associate (including any spouse, parent, sibling or descendant of such person and any trust for the benefit of any of the foregoing persons) of any such, officer, director, or any family member of any of the foregoing; or (B) to the knowledge of Cathedra, any holder of record or beneficial owner of 10% or more of the Cathedra Shares, or any affiliate or associate (including any spouse, parent, sibling or descendant of such person and any trust for the benefit of any of the foregoing persons) of any such holder of record or beneficial owner, on the other hand; and
 - (ii) none of Cathedra or any of its Subsidiaries is indebted to any director, officer, employee or agent of, or independent contractor to, Cathedra or any of its Subsidiaries or any of their respective affiliates or associates, including any spouse, parent, sibling or descendant of such person and any trust for the benefit of any of the foregoing persons (except for amounts due in the ordinary course as salaries, bonuses, directors' fees or the reimbursement of ordinary course expenses).
- (ff) **Expropriation.** No material part of the property or assets of Cathedra or any Cathedra Subsidiary has been taken, condemned or expropriated by any Governmental Authority nor has any written notice, acknowledgement or proceeding in respect thereof been received by Cathedra or any Cathedra Subsidiary.

- (gg) **Rights of Other Persons.** Except as set out in Schedule 3.1(gg) of the Cathedra Disclosure Letter, no person has any right of first refusal or option to purchase or any other right of participation in any of the material properties or assets owned by Cathedra, any Cathedra Subsidiary or any part thereof.
- (hh) **Non-Governmental Organizations and Community Groups.** No material dispute between Cathedra or any of the Cathedra Subsidiaries and any nongovernmental organization, community, community group or civil organization exists or, to Cathedra's knowledge, is threatened or imminent with respect to any of Cathedra's or any of the Cathedra Subsidiaries' properties or operational activities. Cathedra has provided Sphere with full and complete access to all material correspondence received by Cathedra, or the Cathedra Subsidiaries from any non-governmental organization, community, community group or civil organization.
- (ii) **Corrupt Practices Legislation.** None of Cathedra, any of its Subsidiaries or, to the knowledge of Cathedra, any of its Representatives, has taken, committed to take or been alleged to have taken any action that would cause Cathedra or any of its Subsidiaries to be in violation in any material respect of the Foreign Corrupt Practices Act of the United States or the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the Foreign Corrupt Practices Act of 1977 of the United States of America, the Organization for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997, or such other anti-corruption or anti-bribery laws, regulations or requirements applicable to the Cathedra (collectively, "**Corrupt Practices Legislation**"). None of Cathedra or any of its Subsidiaries has received any notice alleging that Cathedra, any of its Subsidiaries or Representatives has violated any Corrupt Practices Legislation and, to the knowledge of Cathedra, no condition or circumstances exist (including any ongoing proceeding) that would form the basis for any such allegations.
- (jj) **Money Laundering.** The operations of Cathedra and each of its Subsidiaries are and have been conducted in compliance in all material respects with applicable financial record-keeping and reporting requirements and money laundering or similar Laws (collectively, "**Money Laundering Laws**"). None of Cathedra or any of its Subsidiaries has received any notice alleging that Cathedra, any of its Subsidiaries or Representatives has violated any Money Laundering Laws and, to the knowledge of Cathedra, no condition or circumstances exist (including any ongoing proceeding) that would form the basis for any such allegations.
- (kk) **United States Securities and Antitrust Laws.**
- (i) Cathedra is a "foreign private issuer" as defined in Rule 3b-4 under the U.S. Securities Exchange Act and Cathedra is not required to register as an "investment company" under the United States *Investment Company Act of 1940*, as amended.
- (ii) Cathedra is not required to file reports pursuant to Sections 13(a) or 15(d) of the U.S. Securities Exchange Act and the Cathedra Shares are not registered, or required to be registered, under Section 12 of the U.S. Securities Exchange Act.
- (ll) **Stock Exchange Compliance.** Cathedra is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the TSXV.

- (mm) **Change of Control.** Except as set forth in Schedule 3.1(mm) of the Cathedra Disclosure Letter, neither Cathedra nor a Cathedra Subsidiary is a party to any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction which includes provisions that would be triggered by this Agreement or the implementation of this Agreement including any change of control that may result, directly or indirectly, from this Agreement or the implementation of this Agreement.
- (nn) **Closing Payments.** Other than the Cathedra Closing Payments, neither Cathedra nor any of its Subsidiaries has any Closing Payments.
- (oo) **Data Systems.**
 - (i) In respect of the Systems of Cathedra and its Subsidiaries:
 - (A) the Systems have been maintained and supported in accordance with prudent industry practices in all material respects;
 - (B) commercially reasonable controls are in place to control access and security to such Systems and there are appropriate firewalls, virus protection programs and other cybersecurity measures in place that are consistent with current standards and practices of a reasonably prudent business operating in a similar industry and that such measures and policies reasonably safeguard proper access to and the security of the data of Cathedra and its Subsidiaries;
 - (C) all software being used is supported by valid licenses and all licenses in respect of such software are in good standing in all material respects and not in default in any material respect; and
 - (D) all related data, content and programs are backed-up regularly with copies stored safely and securely off-site.
 - (ii) There have been no written complaints relating to any improper use or disclosure of any information involving Cathedra or its Subsidiaries, nor any breach in the information security, cybersecurity or similar systems in respect of Cathedra or its Subsidiaries in the past three years.
 - (iii) To the knowledge of Cathedra, the computer and data processing systems, facilities and services used by Cathedra are substantially free of any material defects, bugs and errors and do not contain any disabling codes or instructions, spyware, trojan horses, worms, viruses or other software routines that permit or cause unauthorized access to, or disruption, impairment, disablement or destruction of, software, data or other materials wherein any trade secrets or proprietary information of Cathedra or its Subsidiaries has been disclosed to a third party.
- (pp) **Competition Act (Canada).** Neither the aggregate value of the assets in Canada of Cathedra and the entities it controls nor the annual gross revenues from sales in or from Canada generated from those assets, all as determined in accordance with Part

IX of the *Competition Act* (Canada) and the *Notifiable Transaction Regulations* thereunder, exceed \$93 million.

(qq) **No Collateral Benefit.** Except as set forth in Schedule 3.1(qq) of the Cathedra Disclosure Letter, to the knowledge of Cathedra, no related party of Cathedra together with its associated entities (within the meaning of MI 61-101), beneficially owns or exercises control or direction over 1% or more of the outstanding Cathedra Shares, except for related parties who will not receive a collateral benefit (within the meaning of MI 61-101) as a consequence of the transactions contemplated by this Agreement.

(rr) **Privacy.**

- (i) Cathedra and the Cathedra Subsidiaries are and have at all times been in compliance in all material respects with all Applicable Laws relating to the collection, use, disclosure and storage of Personal Information, including the *Personal Information Protection and Electronic Documents Act* (Canada) ("**Privacy Laws**") and industry standards relating to the processing by Cathedra and the Cathedra Subsidiaries of the type of information regulated by Privacy Laws and collected, used or disclosed by Cathedra and the Cathedra Subsidiaries, including information such as an individual's address, age, gender, income, family status, citizenship, assets, liabilities, credit information, personal references and health records, but not including the name, title or business address or telephone number of an employee (collectively, "**Personal Information**"), including the disclosing or transferring of Personal Information in the course of operating the business of Cathedra. To the knowledge of Cathedra, (1) there are no complaints made to, or audit, proceeding, investigation (formal or informal) or claim currently pending against, Cathedra or the Cathedra Subsidiaries by any private party or any Governmental Authority with respect to the processing of Personal Information, or in respect of any other Applicable Laws pertaining to privacy, Personal Information, anti-spam, or spyware (including consent, registration or notification requirements), and (2) there is no reasonable basis for any such complaint, audit, proceeding, investigation or claim.
- (ii) Cathedra and the Cathedra Subsidiaries maintain materially appropriate privacy and security policies, procedures and systems in respect of the processing of Personal Information, including as required to safeguard Personal Information from unauthorized access, misuse, loss, destruction, disposal or damage (collectively, the "**Privacy Policies**"). To the knowledge of Cathedra, Cathedra and the Cathedra Subsidiaries are and have at all times been in compliance with the Privacy Policies, in all material respects. To the knowledge of Cathedra, Cathedra and the Cathedra Subsidiaries have not experienced any unauthorized access, misuse, loss, destruction, disposal or damage to any of the Personal Information under its custody or control.
- (iii) None of (A) the transfer to Sphere Representatives by Cathedra and the Cathedra Subsidiaries of the Personal Information as part of the Sphere's due diligence and in connection with this Agreement; (B) the execution, delivery or performance of, or consummation of this Agreement or the Arrangement;

or (C) Sphere's possession or use of any Personal Information, will result in any violation of Law or the Privacy Policies, in any material respect.

- (iv) To the knowledge of the Cathedra, Cathedra and the Cathedra Subsidiaries have never experienced a security or data breach in respect of Personal Information or any information pertaining to or concerning the business of Cathedra and the Cathedra Assets, including any and all information relating to their respective businesses, affairs, finances, opportunities, projections, customers, suppliers, assets, liabilities, operations and internal practices.

3.2 Survival of Representations and Warranties

The representations and warranties of Cathedra and contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF SPHERE

4.1 Representations and Warranties of Sphere

Sphere and Amalco Sub, jointly and severally, represent and warrant to and in favour of Cathedra as follows and acknowledges that Cathedra is relying upon these representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement and other transactions contemplated herein:

- (a) **Organization.** Sphere is a corporation amalgamated and validly existing under the laws of the Province of Ontario, has all necessary corporate power and capacity to own or lease its property and assets and to carry on its business as presently owned, leased or conducted, and is duly registered, licensed or qualified to carry on business, and is in good standing, in each jurisdiction in which the character of its properties and assets, owned or leased, or the nature of its business make such qualification, registration or licensing necessary.
- (b) **Capitalization.**
 - (i) Sphere's authorized capital consists of an unlimited number of common shares; an unlimited number of Preferred Shares, issuable in series; an unlimited number of Series A Preferred Shares; an unlimited number of Series B Preferred Shares; an unlimited number of Series C Preferred Shares; an unlimited number of Series D Preferred Shares; an unlimited number of Series E Preferred Shares; an unlimited number of Series F Preferred Shares; an unlimited number of Series G Preferred Shares; and an unlimited number of Series H Preferred Shares, of which, as of the date hereof, 3,476,336 Sphere Common Shares and 161 Sphere Series H Shares are validly issued and outstanding as fully paid and non-assessable shares. As of the date hereof, there are no Series A, Series B, Series C, Series D, Series E, Series F, or Series G Preferred Shares outstanding.
 - (ii) The issued and outstanding Sphere Common Shares are listed and posted for trading on NASDAQ.
 - (iii) Schedule 4.1(b)(iii) of the Sphere Disclosure Letter sets forth, as of the date hereof, the number of outstanding Sphere Options, Sphere RSUs, Sphere RSAs, and Sphere Warrants, and the exercise price and vested percentage, vesting

terms, and expiry date, where applicable, of such Sphere Options, Sphere RSUs, Sphere RSAs, and Sphere Warrants.

- (iv) Except as set out in Schedule 4.1(b)(iii) of the Sphere Disclosure Letter, there are not now, and at the Effective Date there will not be, any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income, share price or any other attribute of Sphere or its business or operations.
- (v) There are not now, and at the Effective Date there will not be, any outstanding bonds, debentures or other evidences of indebtedness of Sphere having the right to vote (or convertible into or exchangeable for securities having the right to vote) with Sphere Shareholders or on any matter.
- (vi) Except for 1,599,621 Sphere Common Shares issuable on the due exercise or settlement or conversion, as applicable, of Sphere Series H Shares, Sphere Options, Sphere RSUs, Sphere RSAs, and Sphere Warrants outstanding as of the date hereof, or as may be issued pursuant to Section 5.2(c)(ii), there are not now, and at the Effective Date there will not be, any options, warrants, conversion privileges, rights, agreements, understandings, commitments or other obligations (whether by law, pre-emptive or contractual) of Sphere to (i) issue, sell or deliver any shares or other ownership interests in Sphere or securities or obligations of any kind convertible into or exchangeable for shares or other ownership interests in Sphere; or (ii) acquire any shares or ownership interests in any other person.
- (vii) All securities of Sphere (including all options, warrants, rights or other convertible or exchangeable securities) have been issued in compliance with all Applicable Laws (including Applicable Securities Laws) and all securities to be issued upon due exercise of any such options, warrants, rights and other convertible or exchangeable securities in accordance with the respective terms thereof will be issued in compliance with all Applicable Laws (including Applicable Securities Laws) as fully paid and non-assessable securities of Sphere.
- (viii) All outstanding Sphere Common Shares, Sphere Series H Shares Sphere Options, Sphere RSUs, Sphere RSAs, and Sphere Warrants have been recorded in Sphere Financial Statements in accordance with GAAP and no such grants involved any “back dating”, “forward dating”, “spring loading” or similar concepts.
- (ix) There are no outstanding contractual or other obligations of Sphere or any of its Subsidiaries to repurchase, redeem or otherwise acquire any securities of Sphere or any of its Subsidiaries.
- (x) Other than the Sphere Common Shares and Sphere Series H Shares, there are no securities or other instruments or obligations of Sphere or any of its Subsidiaries that carry (or which is convertible into, or exchangeable for, securities having, except the Sphere Options, Sphere RSUs, Sphere RSAs, and Sphere Warrants) the right to vote generally with the Sphere Shareholders on any matter.

- (xi) All dividends or distributions on the securities of Sphere or any of its Subsidiaries that have been declared or authorized have been paid in full.
- (xii) Sphere has duly authorized and has all the requisite authority to create and issue the Sphere Series I Shares. Except for the filing of articles amendment to create the Sphere Series I Shares and the approval of the regulatory authorities under the OBCA, no consents, approvals or filings, including the approval of Sphere Shareholders or any other third party, are required for the creation and issuance of the Sphere Series I Shares, and the Sphere Series I Shares shall be created pursuant to and in accordance with all Applicable Law and the constating documents of Sphere.

(c) **Subsidiaries.**

- (i) Each of the Sphere Subsidiaries is duly incorporated and validly existing under the laws of its jurisdiction of incorporation, has all necessary corporate power and capacity to own or lease its property and assets and to carry on its business as presently owned, leased or conducted by it, and is duly registered, licensed or qualified to carry on business, and is in good standing, in each jurisdiction in which the character of its properties and assets, owned or leased, or the nature of its business makes such qualification, registration or licensing necessary.
- (ii) The authorized share capital and the outstanding securities of each of the Sphere Subsidiaries are set forth in Section 4.1(c)(ii) of the Sphere Disclosure Letter. Sphere, directly or indirectly, beneficially owns all of the issued and outstanding shares and other ownership interests of each of the Sphere Subsidiaries and all such shares and other ownership interests are duly authorized, validly issued, fully paid and non-assessable (and no such shares have been issued in violation of any pre-emptive rights). There are no contracts, commitments, agreements, understandings, arrangements or restrictions which require any Sphere Subsidiary to issue, sell or deliver any shares in its share capital or other ownership interests, or any securities or obligations convertible into or exchangeable for, any shares of its share capital or other ownership interests.

(d) **Authority Relative to this Agreement.**

- (i) Each of Sphere and Amalco Sub has the corporate power and capacity to enter into and perform its obligations under this Agreement and all documents and agreements contemplated by this Agreement to which Sphere and Amalco Sub is or will be a party.
- (ii) The execution and delivery of this Agreement by Sphere and Amalco Sub and the performance by Sphere and Amalco Sub of its obligations hereunder have been duly authorized by each of the Sphere Board and the board of directors of Amalco Sub and no other corporate proceeding on the part of Sphere or Amalco Sub is necessary to authorize this Agreement or the transactions contemplated hereby, other than the approval of:
 - (A) the Sphere Proxy Statement and other matters relating solely thereto, by the Sphere Board; and

- (B) the Sphere Resolution by the Sphere Shareholders.
- (iii) This Agreement has been duly executed and delivered by each of Sphere and Amalco Sub and is a legal, valid and binding obligation of Sphere and Amalco Sub, enforceable against Sphere and Amalco Sub in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting creditors' rights generally and to the availability of equitable remedies.
- (iv) The execution and delivery by Sphere and Amalco Sub of this Agreement does not, and the performance by Sphere and Amalco Sub of their respective obligations hereunder and thereunder and the completion of the Arrangement do not and will not:
 - (A) conflict with, violate or breach any provision of: (1) Sphere's or any of its Subsidiaries' constating documents or any resolution of their respective directors or shareholders; or (2) any Applicable Laws in any material respect;
 - (B) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, require any consents to be obtained under, or give to others any rights of termination, amendment, acceleration or cancellation of or under, any credit agreement, note, bond, mortgage, indenture or other similar contract, agreement or instrument relating to indebtedness for borrowed money to which Sphere or any of its Subsidiaries is a party or by which Sphere or any of its Subsidiaries or any of their respective properties or assets is bound or affected;
 - (C) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, require any consent to be obtained under, or give to others any rights of termination, amendments, acceleration or cancellation of or under:
 - (1) any license, permit, certificate, order, consent, approval or other authorization of Sphere or any of its Subsidiaries or by which Sphere, any of its Subsidiaries or any of their respective properties or assets is bound or affected, that would, individually or in the aggregate, have a Material Adverse Effect on Sphere or would prevent or delay completion of the Arrangement;
 - (2) any agreement, arrangement, commitment or understanding to which Sphere or any of its Subsidiaries is a party or by which Sphere, any of its Subsidiaries or any of their respective properties or assets is bound or affected that would, individually or in the aggregate, have a Material Adverse Effect on Sphere or would prevent or delay completion of the Arrangement;
 - (D) result in the imposition of an Encumbrance upon any of the properties or assets of Sphere or any of its Subsidiaries that would, individually or in the aggregate, have a Material Adverse Effect on Sphere; or

- (E) give rise to any option, right of first refusal or similar right becoming exercisable by a third party that would have a Material Adverse Effect on Sphere or prevent or delay the completion of the Arrangement.
 - (v) (A) The Sphere Board has received an oral fairness opinion from Rosenblatt Securities, to be subsequently confirmed in writing; (B) the Sphere Board, after consultation with its outside legal counsel and financial advisors, has unanimously determined that the acquisition of all of the issued and outstanding Cathedra Shares pursuant to the Arrangement is in the best interests of Sphere and accordingly has approved the entering into of this Agreement and the making of a recommendation that Sphere Shareholders vote in favour of the Sphere Resolution; and (C) each director or officer has advised Sphere that he or she intends to vote all Sphere Common Shares held by him or her, directly or indirectly, in favour of the Sphere Resolution.
 - (vi) There are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements to which Sphere or the Sphere Subsidiaries are a party.
- (e) **Securities Law Matters**
- (i) Sphere is a "reporting issuer" not in default or the equivalent under the Applicable Securities Laws of each of the Provinces of British Columbia, Alberta, and Ontario.
 - (ii) Since January 1, 2025, Sphere has prepared and filed with appropriate Governmental Authorities all documents required to be filed by it under Applicable Securities Laws and such documents, as of the time they were filed:
 - (A) did not contain any misrepresentations (as defined in Applicable Securities Laws relating to such document);
 - (B) did not fail to state a material fact required to be stated in order to make the statements contained in such document not misleading in light of the circumstances in which they were made; and
 - (C) complied in all material respects with the requirements of Applicable Securities Laws.
 - (iii) Sphere has not filed any confidential material change report or the equivalent thereof under Applicable Securities Laws with any Governmental Authority that currently remains confidential.
 - (iv) None of the Sphere Subsidiaries are considered to be a "reporting issuer" under Applicable Securities Laws.
 - (v) Other than as disclosed in Schedule 4.1(e)(v) of the Sphere Disclosure Letter, Sphere is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of NASDAQ. Sphere has not taken any action which would be reasonably expected to result in the delisting or suspension of the Sphere Common Shares on or from NASDAQ.
- (f) **Financial Matters.**
- (i) Sphere's audited annual consolidated financial statements as at and for the fiscal years ended December 31, 2024, 2023 and 2022 (including the notes

thereto) (the "**Sphere Financial Statements**") complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto as of their respective dates, and were prepared in accordance with GAAP consistently applied (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of the audited consolidated financial statements, in the related report of Sphere's independent auditors, or (ii) in the case of unaudited consolidated interim financial statements, as may be permitted by the SEC for Quarterly Reports on Form 10-Q or other rules and regulations of the SEC) and fairly present, in all material respects, the consolidated financial position, results of operations and cash flows of Sphere and the Sphere Subsidiaries as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited consolidated interim financial statements, to normal period-end adjustments) and reflect reserves required by GAAP, in respect of all material contingent liabilities, if any, of Sphere and the Sphere Subsidiaries on a consolidated basis. There has been no material change in Sphere accounting policies, except as described in the notes to the Sphere Financial Statements, since December 31, 2024.

- (ii) The accounts receivables of Sphere as reflected on the Sphere Financial Statements arose from bona fide transactions in the ordinary course of business, and to the knowledge of Sphere, are good and collectible accounts in the ordinary course of business subject to an allowance for doubtful accounts taken in accordance with GAAP.
 - (iii) neither Sphere nor the Sphere Subsidiaries have assigned or otherwise encumbered the revenue, if any, derived from the Sphere Assets
- (g) **Material Liabilities.** Other than as disclosed in the Sphere Public Record, neither Sphere nor any of its Subsidiaries has any material liabilities or material obligations of any nature (whether contingent or absolute, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due, including any liability for Taxes), including guarantees, support obligations or other similar obligations with respect to the obligations of any person, except liabilities and obligations adequately reflected or reserved against in the audited consolidated financial statements of Sphere as at and for the financial year ended December 31, 2024 or incurred in the ordinary course of business since the end of such period.
- (h) **Books and Records.** The corporate records and minute books of Sphere and the Sphere Subsidiaries have been maintained in accordance with all Applicable Laws and are complete and accurate, in each case in all material respects. Financial books and records and accounts of Sphere and the Sphere Subsidiaries: (i) have been maintained in accordance with Applicable Laws, GAAP and good business practices on a basis consistent with prior years and past practice; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Sphere and the Sphere Subsidiaries; and (iii) accurately and fairly reflect the basis for the consolidated financial statements of Sphere, in each case of sub-clause (i)-(iii), in all material respects.
- (i) **Disclosure Controls and Procedures.** Sphere has devised and maintained a system of "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e)

of the U.S. Exchange Act) designed to ensure that information required to be disclosed by Sphere under Applicable Securities Laws is recorded, processed, summarized and reported within the time periods specified in the Applicable Securities Laws. Such disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by Sphere in the reports and other filings under Applicable Securities Laws is accumulated and communicated to Sphere's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

- (j) **Internal Control over Financial Reporting.** Sphere maintains "internal control over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) of the U.S. Exchange Act). Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of Sphere and the Sphere Subsidiaries; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of Sphere and the Sphere Subsidiaries are being made only in accordance with authorizations of management and directors of Sphere and the Sphere Subsidiaries; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Sphere's and the Sphere Subsidiaries' assets that could have a material effect on its financial statements. To the knowledge of Sphere, prior to the date of this Agreement: (A) there are no significant deficiencies in the design or operation of, or material weaknesses in, Sphere's internal controls over financial reporting that are reasonably likely to adversely affect the ability to record, process, summarize and report financial information, and (B) there is no fraud, whether or not material, that involves management or other employees who have a significant role in Sphere's internal control over financial reporting. Since January 1, 2025, Sphere has received no (x) material complaints from any source regarding accounting, internal accounting controls or auditing matters or (y) expressions of concern from employees of Sphere regarding questionable accounting or auditing matters.
- (k) **Absence of Changes.** Except as disclosed in the Sphere Public Record, since January 1, 2025, Sphere and each of its Subsidiaries has conducted its business only in the ordinary course of business and consistent with past practice and:
 - (i) no Material Adverse Change has occurred with respect to Sphere;
 - (ii) neither Sphere nor any of its Subsidiaries have incurred liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise) which would, individually or in the aggregate, have a Material Adverse Effect on Sphere;
 - (iii) neither Sphere nor any of its Subsidiaries have experienced any damage, destruction or loss, whether covered by insurance or not, that would have a Material Adverse Effect on Sphere;

- (iv) neither Sphere nor any of its Subsidiaries have acquired or sold or committed to acquire or sell property or assets aggregating more than five percent (5%) of Sphere's total consolidated property and assets as at December 31, 2024;
 - (v) neither Sphere nor any of its Subsidiaries have entered into, amended, relinquished, terminated or failed to renew any material agreement, arrangement, commitment, understanding, license, permit, certificate, order, consent, approval or authorization that would, individually or in the aggregate, have a Material Adverse Effect on Sphere;
 - (vi) there has been no increase in or modification to the compensation payable or to become payable by Sphere to any of its directors, officers or employees, or any grant by Sphere to any of its directors, officers or employees of any increase in severance or termination pay, except in the ordinary course of business;
 - (vii) there has not been any increase in or modification to any Employee Plan for any of Sphere's current or former employees or consultants (or their relatives), except in the ordinary course of business or pursuant to ordinary course annual increases;
 - (viii) Sphere has not made any material change in its accounting methods, principles or practices, including the basis upon which its assets and liabilities are recorded on its books or its earnings, profits and losses are ascertained;
 - (ix) neither Sphere nor any of its Subsidiaries have amended their constating documents;
 - (x) Sphere has not declared, paid or set aside for payment any dividend or distribution of any kind in respect of any of its outstanding securities nor made any repayments of capital;
 - (xi) Sphere has not redeemed, repurchased or otherwise acquired any Sphere Common Shares or Sphere Series H Shares;
 - (xii) no resolution to approve a subdivision, consolidation or reclassification of any of the Sphere Common Shares or Sphere Series H Shares has been approved by or presented to the Sphere Shareholders or holders of Sphere Preferred Shares, as applicable; and
 - (xiii) neither Sphere nor any of its Subsidiaries have entered into any agreements, arrangements, commitments or understandings to take any action which, if taken prior to the date of this Agreement, would have made any representation or warranty of Sphere in this Agreement materially untrue or incorrect as of the date when made.
- (l) **Restrictions on Business Activities.** There are no agreements, arrangements, commitments, understandings, judgments, orders, warrants, writs, injunctions or decrees binding upon Sphere or any of its Subsidiaries that has or could have the effect of prohibiting or materially restricting or impairing any business practice of Sphere or any of its Subsidiaries, any acquisition of property or assets by Sphere or any of its Subsidiaries or the conduct of business by Sphere or any of its Subsidiaries as currently conducted, other than any such agreements, arrangements, commitments, understandings, judgments, orders, awards, writs, injunctions or

decrees which would not, individually or in the aggregate, have a Material Adverse Effect on Sphere.

- (m) **Compliance.** Sphere and each of its Subsidiaries has complied with and is not in violation of (i) its constating documents or any resolution of its directors or shareholders; or (ii) any Applicable Laws, other than instances of non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Sphere. None of Sphere or any of its Subsidiaries or, to the knowledge of Sphere, any of their respective directors or officers, is under any investigation with respect to, has been convicted, charged or, to the knowledge of Sphere, threatened to be charged with, or has received written notice of, any violation or potential violation of any Law from any Governmental Authority, in each case, that could be expected to be material to Sphere and its Subsidiaries.
- (n) **Approvals.** No consent, approval, order or authorization of, or filing with, any Governmental Authority with jurisdiction over Sphere, the Sphere Subsidiaries or any of their respective properties, assets or businesses is required to be obtained by Sphere or any of its Subsidiaries in connection with the execution and delivery by Sphere of this Agreement, the performance by Sphere of its obligations hereunder or the completion of the Arrangement other than:
 - (i) in connection with or in compliance with Applicable Securities Laws;
 - (ii) authorizations, consents, approvals, orders or filings, the failure of which to obtain or make would not, individually or in the aggregate, prevent or delay approval of the Sphere Resolution, completion of the Arrangement or have a Material Adverse Effect on Sphere; and
 - (iii) the filing of articles of amendment for the Sphere Series I Shares.
- (o) **Licences and Permits.** Sphere and each of its Subsidiaries owns, possesses or has obtained, and is in compliance in all material respects with, all material licences, permits, certificates, orders, consents, approvals and other authorizations of or from any Governmental Authority required by Applicable Laws which are necessary to lawfully conduct its businesses as it is now being conducted or as intended to be conducted as set forth in the Sphere Public Record or which are necessary for the lawful ownership, use and occupation of its properties and assets, except for such licences, permits, certificates, orders, consents, approvals or authorizations the failure to own, possess or obtain, and be in compliance with, would not, individually or in the aggregate, have a Material Adverse Effect on Sphere. All such permits are in full force and effect and, to the knowledge of Sphere, there are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or be in compliance with such permits as are necessary to conduct the business of Sphere or its Subsidiaries as it is proposed to be conducted. Each such permit can be renewed in the ordinary course of business by Sphere or its Subsidiaries. Neither Sphere nor any of its Subsidiaries has received no written notice of any actual or threatened proceeding to modify, suspend, revoke, withdraw, terminate or otherwise limit any such permit and, to the knowledge of Sphere, there is no valid basis for any such proceeding, including on the basis of the transactions contemplated hereby. Neither Sphere nor any of its Subsidiaries has received any written notice of any actual or threatened administrative or governmental action or proceeding in connection with

the expiration, continuance or renewal of any such permit and, to the knowledge of Sphere, there is no valid basis for any such proceeding.

- (p) **Material Contracts.** Schedule 4.1(p) of the Sphere Disclosure Letter sets forth a complete and accurate list of the Sphere Material Contracts as of the date hereof. Each Sphere Material Contract is a valid and binding agreement of Sphere or a Sphere Subsidiary and to the knowledge of Sphere, each other party thereto, and is in full force and effect, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting creditors' rights generally and to the availability of equitable remedies. Neither Sphere nor any of its Subsidiaries is in breach of, and no event of default (including an event which with notice or lapse of time or both would become a default) relating to Sphere or any of its Subsidiaries has occurred under any Sphere Material Contract and, to the knowledge of Sphere, none of the other parties to any of the Sphere Material Contracts are in breach of and no event of default (including an event which with notice or lapse of time or both would become a default) relating to such other party has occurred under any of the Sphere Material Contracts, except for breaches or events of default that have been cured or waived or breaches or events of default that would not, individually or in the aggregate, have a Material Adverse Effect on Sphere.

(q) **Employment Matters.**

- (i) Schedule 4.1(q)(i) of the Sphere Disclosure Letter contains a complete and accurate list as of the date hereof of employees and consultants (including independent contractors) of Sphere and the Sphere Subsidiaries with an estimated annual aggregate compensation (calculated on the basis of base salary or consulting, fees, and cash bonus, if any, paid during the year ended December 31, 2025) in excess of \$50,000, including their respective location, hire date, position, engagement type, salary or fees, benefits and current status (full-time, part-time, consultant, active, non-active), as well as a list of all former employees and consultants of Sphere or a Sphere Subsidiary in the past twelve (12) months that had an annual aggregate compensation in excess of \$50,000 to whom Sphere or any of the Sphere Subsidiaries has or may have any obligations, indicating the nature and value of such obligations.
- (ii) No employee or consultant listed in Schedule 4.1(q)(i) of the Sphere Disclosure Letter has provided written notice to Sphere or any of its Subsidiaries that he or she intends to resign, retire or terminate his or her employment or engagement with Sphere or any of its Subsidiaries as a result of the transactions contemplated by this Agreement or otherwise.
- (iii) All amounts due or accrued due for all salary, wages, bonuses, incentive compensation, deferred compensation, commissions, consulting fees, vacation with pay, sick days and benefits under any Sphere Employee Plans and other similar accruals have either been paid or are accrued and accurately reflected in all material respects in the books and records of Sphere and its Subsidiaries.
- (iv) Except as disclosed in Schedule 4.1(q)(iv) of the Sphere Disclosure Letter, there are no written or oral agreements, obligations or understandings providing for severance, termination or other payments to any director, officer, employee or consultant of Sphere or any of its Subsidiaries that would

be triggered by the completion of the transactions contemplated by this Agreement, except for obligations to provide reasonable notice to employees or consultants hired for indefinite terms who are dismissed without cause.

- (v) All individuals who provide services to Sphere or a Sphere Subsidiary, including employees and consultants, have at all times been accurately classified by Sphere and such Subsidiary with respect to such services as an employee or a non-employee for all purposes, including wages, payroll taxes and participation, and benefit accrual under each Sphere Employee Plan.
- (vi) There are no current, pending or, to the knowledge of Sphere, threatened strikes or lockouts at any of Sphere's or a Sphere Subsidiary's facilities affecting employees or consultants.
- (vii) Except as disclosed in Schedule 4.1(q)(vii) of the Sphere Disclosure Letter, none of Sphere or any of the Sphere Subsidiaries are subject to any claim for wrongful dismissal, constructive dismissal or any other claim in contract or in tort, nor is any such claim or any litigation, arbitration or mediation pending or, to the knowledge of Sphere, threatened, relating to employment or termination of employment of employees or consultants (including independent contractors), other than claims, litigation, arbitration or mediation that, individually or in aggregate, amount to less than \$50,000.
- (viii) Sphere and the Sphere Subsidiaries have, at all times during the past four (4) years, operated in all material respects in accordance with all Applicable Laws with respect to employment and labour and independent contractor relationships, including employment and labour standards, occupational health and safety laws, workers' compensation, social insurance and pension contribution, human rights and labour relations, and there are, and during the past four (4) years have been, no pending or, to the knowledge of Sphere, threatened proceedings against Sphere or any of the Sphere Subsidiaries before any Governmental Authority with respect to any of the foregoing matters, other than claims, litigation, arbitration or proceedings that, individually or in aggregate, amount to less than \$50,000.
- (ix) None of Sphere and the Sphere Subsidiaries is a party to or bound by or subject to any collective agreement, has not made any commitment to, or conducted any negotiation or discussion with, any labour union or employee association with respect to any future agreement or arrangement, is not required to recognize any labour union or employee association representing its employees or any agent having bargaining rights for its employees and, to the knowledge of Sphere, there is no current attempt to organize, certify or establish any labour union or employee association with respect to employees or consultants.

(r) Employee Plans.

- (i) Schedule 4.1(r)(i) of the Sphere Disclosure Letter contains a complete list as of the date hereof of all Employee Plans of Sphere. All of the Employee Plans of Sphere are and have been established, registered, qualified, funded and administered in accordance with all Applicable Laws, and in accordance with their terms, the terms of the material documents that support such Employee Plans and the terms of agreements between Sphere and/or any of its

Subsidiaries, as the case may be, and their respective employees and former employees who are members of, or beneficiaries under, the Employee Plans.

- (ii) All current obligations of Sphere or any of the Sphere Subsidiaries regarding the Employee Plans have been satisfied in all material respects. All contributions, premiums or Taxes required to be made or paid by Sphere or a Sphere Subsidiary, as the case may be, under the terms of each Employee Plan or by Applicable Laws in respect of the Employee Plans have been made in a timely fashion in accordance with Applicable Laws and in accordance with the terms of the applicable Employee Plan. As at the date hereof, no currently outstanding notice of underfunding, non-compliance, failure to be in good standing or otherwise has been received by Sphere or any of the Sphere Subsidiaries from any applicable Governmental Authority in respect of any Employee Plan that is a pension or retirement plan.
- (iii) To the knowledge of Sphere, no Employee Plan is subject to any pending investigation, examination or other proceeding, action or claim initiated by any Governmental Authority, or by any party (other than routine claims for benefits) and, to the knowledge of Sphere, there exists no state of facts which after notice or lapse of time or both would reasonably be expected to give rise to any such investigation, examination or other proceeding, action or claim or to affect the registration or qualification of any Employee Plan required to be registered or qualified.
- (iv) The execution and delivery of this Agreement, the performance by Sphere of its obligations under this Agreement and the completion of the Arrangement will not constitute an event or condition under any Employee Plan that entitles an employee or former employee to a payment, promise of payment, acceleration or vesting of any other benefit to which that individual would not otherwise be entitled.
- (s) **Real Property.** Except as disclosed in Schedule 4.1(s) of the Sphere Disclosure Letter (the “**Sphere Real Property**”), neither Sphere nor any Sphere Subsidiary leases, owns, has any freehold interest in, or is a party to or bound by or subject to any agreement, contract, commitment, or option to purchase, any freehold interest in real or immovable property. Title to the owned Sphere Real Property is good and marketable, free and clear of all Encumbrances. Each lease in respect of any leased Sphere Real Property is in good standing, legal, valid, binding and full force and effect, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting creditors’ rights generally and to the availability of equitable remedies. There is no event of breach or default, or any event which, with the giving of notice, the lapse of time or both, would become an event of default, under any lease respecting the leased Sphere Real Property, except for breaches or events of default that have been cured. To the knowledge of Sphere, the operation and maintenance by Sphere and the Sphere Subsidiaries of the Sphere Real Property is in material compliance with any restrictive covenants registered or recorded against title to the Sphere Real Property and does not materially encroach on any property owned by others. To the extent payable by Sphere or any Sphere Subsidiary, all payments have been made in respect of (i) local, state and/or federal taxes with respect to the Sphere Real Property; and (ii) the use of water and electricity with respect to the Sphere Real Property, in each case, to the extent due and owing.

(t) **Intellectual Property Matters**

- (i) Schedule 4.1(t)(i) of the Sphere Disclosure Letter sets forth:
 - (A) all Sphere Intellectual Property of which Sphere or a Sphere Subsidiary is not the exclusive owner, identifying the subject matter, any related registration, and the limits on ownership by Sphere or such Sphere Subsidiary,
 - (B) all Sphere Intellectual Property that Sphere or a Sphere Subsidiary uses pursuant to license or sublicense of a third party listing the subject matter, any ancillary registration, the source of authorization and the owner, and except as expressly disclosed pursuant to this subsection, neither Sphere nor a Sphere Subsidiary is a party to any contract or commitment to pay any royalty, license or other fee with respect to the use of the Sphere Intellectual Property, and
 - (C) all Sphere Intellectual Property that Sphere or a Sphere Subsidiary owns jointly with a third party;
- (ii) neither Sphere nor a Sphere Subsidiary has registered any patent, industrial design, trademark, tradename, copyright or other registration with respect to any Sphere Intellectual Property anywhere in the world and there is no pending application or application for registration that Sphere or a Sphere Subsidiary has made with respect to any Sphere Intellectual Property anywhere in the world;
- (iii) the Sphere Intellectual Property includes all of the material Intellectual Property necessary for the operation of the ordinary course of business of Sphere and the Sphere Subsidiaries, as presently conducted and as presently proposed to be conducted;
- (iv) Sphere or a Sphere Subsidiary owns exclusively or has the right to use pursuant to license or sublicense all Sphere Intellectual Property. Each Sphere Intellectual Property owned or used by Sphere or a Sphere Subsidiary immediately prior to the Effective Date will be owned or available for use by Sphere or such Sphere Subsidiary on substantially similar terms and conditions immediately subsequent to the Effective Date;
- (v) no consents are required for any Sphere Intellectual Property that is required to be licensed or sublicensed to any third party in connection with Sphere's and the Sphere Subsidiaries' business to be so licensed or sublicensed to any third party;
- (vi) neither Sphere nor a Sphere Subsidiary has granted any third party any license, sublicense agreement or other permission with respect to any Sphere Intellectual Property or the use of any Sphere Intellectual Property;
- (vii) Sphere and the Sphere Subsidiaries have taken all commercially reasonable actions to maintain and protect all of the Sphere Intellectual Property owned by Sphere or a Sphere Subsidiary. No owned item of Sphere Intellectual

Property has been abandoned. Each item of Sphere Intellectual Property used by Sphere or a Sphere Subsidiary pursuant to license or sublicense is being used by Sphere or a Sphere Subsidiary in compliance in all material respects with the terms of the applicable license and the execution, delivery and performance of this Agreement by the parties hereto will not impair such authorized use;

- (viii) to the knowledge of Sphere, no third party has interfered with, infringed upon, misappropriated or otherwise come into conflict with any Sphere Intellectual Property rights of Sphere or a Sphere Subsidiary; and
- (ix) the ordinary course of business of Sphere and the Sphere Subsidiaries, as presently conducted does not, and neither Sphere nor a Sphere Subsidiary has interfered with, infringed upon, misappropriated, misused, violated or otherwise come into conflict with any Intellectual Property rights of any third party, and neither Sphere nor a Sphere Subsidiary has received notice of any, and there is no action, suit, proceeding, hearing, charge, complaint, claim, demand, or to the knowledge of Sphere investigation that is pending or, to the knowledge of Sphere, threatened that challenges or limits the legality, validity, enforceability, use or ownership of the Sphere Intellectual Property (including any claim that Sphere or a Sphere Subsidiary must license or refrain from using any Intellectual Property rights of any third party) and neither Sphere nor a Sphere Subsidiary is subject to any outstanding injunction, judgment, order, decree, ruling or charge regarding same.

(u) **Digital Assets; Bitcoin Miners.**

- (i) Sphere and its Subsidiaries deposit substantially all of its crypto-assets, including any bitcoin mined, in digital wallets held or operated by Sphere and its Subsidiaries (the “**Sphere Wallets**”). There are no Encumbrances on, or rights of any person to, the Sphere Wallets or the crypto-assets contained in such Sphere Wallets. Sphere and its Subsidiaries have taken commercially reasonable steps to protect the Sphere Wallets and crypto-assets, including by adopting security protocols to prevent, detect and mitigate inappropriate or unauthorized access to the Sphere Wallets and crypto-assets.
- (ii) Sphere and its Subsidiaries have the exclusive ability to control, including by use of “private keys” or other equivalent means or through custody arrangements or other equivalent means, all of the crypto-currencies, blockchain-based tokens, and other blockchain asset equivalents applicable to the business of Sphere and its Subsidiaries (collectively, the “**Sphere Digital Assets**”) set forth on Schedule 4.1(u)(ii) of the Sphere Disclosure Letter, free and clear of all Encumbrances. Neither Sphere nor any Sphere Subsidiary have taken any actions where it owns a substantial portion of all outstanding tokens in the then existing issued and circulating supply of such tokens on a blockchain to effectuate change through the governance process of that relevant blockchain that would reasonably foreseeably disrupt the continued existence, validity, legality, governance or public availability of the relevant blockchains.

- (iii) Sphere and its Subsidiaries currently own and/or operates approximately 1,000,000 terahash of compute capacity primarily for the mining of bitcoin and/or other cryptocurrencies.
- (iv) Schedule 4.1(u)(iv) of the Sphere Disclosure Letter provides a list as of the date hereof of all bitcoin or other cryptocurrency miners owned or leased by Sphere and its Subsidiaries ("**Sphere Miners**"), including each model name/number and a calculation of the total terahashes per second that can be processed by such Sphere Miner. All Sphere Miners are owned or rightfully possessed by, operated by and under the control of Sphere and its Subsidiaries. Except as set forth in Schedule 4.1(u)(iv) of the Sphere Disclosure Letter, there has been no failure, breakdown or continued substandard performance of any Sphere Miners that has caused a material disruption or interruption in or to the use of the Sphere Miners or the related operation of the business of Sphere and its Subsidiaries. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Sphere, the Sphere Miners are generally maintained and in good working condition to perform all computing, information technology and data processing operations necessary for the operations of Sphere and its Subsidiaries. Sphere and its Subsidiaries have taken commercially reasonable steps to: (i) protect the Sphere Miners from malware and other contaminants, hacks and other malicious external or internal threats; (ii) ensure continuity of operations with adequate energy supply and minimal uptime required; and (iii) provide for the remote-site back-up of data and information critical to Sphere and its Subsidiaries. Sphere and its Subsidiaries have in place commercially reasonable disaster recovery and business continuity plans and procedures and information and data security policies, in each case, that are consistent with generally accepted industry standards. Sphere's and its Subsidiaries' use, provision, disclosure and transfer of Sphere Miners and Sphere Digital Assets and related services, has complied with all Applicable Laws in all material respects, including all applicable financial services and Money Laundering Laws. Neither Sphere nor any Sphere Subsidiary has participated in any cryptocurrency tumbler or equivalent services.

(v) **Environmental Matters.**

- (i) To the knowledge of Sphere, neither Sphere nor any of its Subsidiaries has been in violation of any applicable Environmental Laws in connection with the ownership, use, maintenance or operation of the Sphere Assets. Neither Sphere nor any of its Subsidiaries has received any inquiry from or notice of a pending investigation or threatened investigation from any governmental agency or of any administrative or judicial proceeding concerning the violation of any such Environmental Laws.
- (ii) Neither Sphere nor any of its Subsidiaries has any material environmental liabilities outstanding. To the knowledge of Sphere, no Hazardous Substances have been used in the operation of Sphere's and its Subsidiaries' business except those Hazardous Substances used in the ordinary course of business, and to the knowledge of Sphere, there has been no Release of any such Hazardous Substances in the operation of the Sphere's and its Subsidiaries' business in contravention or violation of any laws, regulations, rules or

approvals created by a Governmental Authority applicable to Sphere or its Subsidiaries.

(w) Title to Assets

- (i) Sphere is the owner, directly or through the Sphere Subsidiaries, of and has good and marketable title to all of the Sphere Assets, including all of the Sphere Assets listed in Schedule 4.1(w)(i) of the Sphere Disclosure Letter and all of the Sphere Assets reflected in the Sphere Financial Statements, and all properties and assets acquired by Sphere and the Sphere Subsidiaries after the date of the Sphere Financial Statements, free and clear to its knowledge of all Encumbrances whatsoever.
- (ii) Except as provided for under the Sphere Material Contracts or the Sphere Financial Statements, no persons other than Sphere or the Sphere Subsidiaries owns any Sphere Assets which are being used in the ordinary course of business of Sphere and its Subsidiaries and there are no agreements or commitments by Sphere or the Sphere Subsidiaries to purchase material property or assets, other than in the ordinary course of business.
- (iii) The Sphere Material Contracts include the only material documents and contracts currently in effect under and by virtue of which Sphere and the Sphere Subsidiaries are entitled to the Sphere Assets or which otherwise relate to or affect the interest of Sphere and the Sphere Subsidiaries in the Sphere Assets, other than documents that are not in the possession or control of Sphere or the Sphere Subsidiaries, of which to the knowledge of Sphere, there are none.
- (iv) Sphere and the Sphere Subsidiaries, as lessees, have the right under valid and subsisting leases to use, possess and control all personal property forming part of the Sphere Assets that are leased by and material to Sphere or any of the Sphere Subsidiaries as used, possessed and controlled by Sphere or the Sphere Subsidiaries, as applicable.

(x) Litigation.

- (i) Except as set out in Schedule 4.1(x) of the Sphere Disclosure Letter:
 - (A) there is no claim, suit, action, arbitration, review, proceeding or investigation, pending, or to the knowledge of Sphere, threatened, by or against Sphere or any of the Sphere Subsidiaries or affecting any of their respective properties, assets or businesses before or by any Governmental Authority that if adversely determined, individually or in the aggregate, would have a Material Adverse Effect on Sphere or prevent or delay consummation of the Arrangement or the other transactions contemplated by this Agreement, nor to the knowledge of Sphere is there any basis for any such claim, suit, action, arbitration, review, proceeding or investigation; and
 - (B) neither Sphere, nor any of its Subsidiaries, nor any of their respective properties or assets, is subject to any outstanding judgment, order, decision, ruling, award, writ, injunction or decree that involves or may

involve, or restricts or may restrict, the right or ability of Sphere or the Sphere Subsidiaries, as the case may be, to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would prevent or delay consummation of the Arrangement or the other transactions contemplated by this Agreement.

- (y) **Bankruptcy.** None of Sphere or any of the Sphere Subsidiaries is insolvent within the meaning of applicable bankruptcy, insolvency or fraudulent conveyance Laws. Except as disclosed in Schedule 4.1(y) of the Sphere Disclosure Letter, no act or proceeding has been taken by or against Sphere or any of the Sphere Subsidiaries in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of Sphere or any of the Sphere Subsidiaries nor, to the knowledge of Sphere, is any threatened, or for the appointment of a trustee, receiver, manager or other administrator of Sphere or any of the Sphere Subsidiaries or any of their respective properties or assets. None of Sphere or any of the Sphere Subsidiaries has sought protection under the *Bankruptcy and Insolvency Act* (Canada) or the *Company Creditors Arrangement Act* (Canada) or applicable bankruptcy legislation outside Canada.
- (z) **Insurance.** Sphere and the Sphere Subsidiaries have as of the date hereof policies of insurance as set forth in Schedule 4.1(z) of the Sphere Disclosure Letter and such policies are in full force and effect as of the date hereof and will remain in full force and effect to and including the Effective Date and will not be cancelled or otherwise terminated as a result of the Arrangement or the other transactions contemplated by this Agreement other than such cancellations as would not, individually or in the aggregate, have a Material Adverse Effect on Sphere.
- (aa) **Tax Matters.**
 - (i) Except as disclosed in Schedule 4.1(aa)(i) of the Sphere Disclosure Letter, Sphere and each Sphere Subsidiary has duly and in a timely manner made or prepared all Tax Returns required to be made or prepared by it, and duly and in a timely manner filed all Tax Returns required to be filed by it with the appropriate Governmental Authority, such Tax Returns are complete and correct in all material respects and Sphere and each Sphere Subsidiary has paid all Taxes, including instalments on account of Taxes for the current year required by Applicable Law, which are due and payable by it whether or not assessed by the appropriate Governmental Authority and Sphere has provided adequate accruals in accordance with GAAP in the most recently published financial statements of Sphere for any Taxes for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business;
 - (ii) Sphere and each Sphere Subsidiary have duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any person) and has duly and timely remitted to the appropriate Governmental Authority such Taxes or other amounts required by Applicable Law to be remitted by it;

- (iii) Sphere and each Sphere Subsidiary have duly and timely collected all amounts on account of any sales or transfer Taxes, including goods and services, harmonized sales and provincial and territorial taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Authority such amounts required by Law to be remitted to it;
 - (iv) neither Sphere nor any Sphere Subsidiary has requested, offered to enter into or entered into any agreement or other arrangement, or executed any waiver, providing for any extension of time within which: (A) to file any Tax Return covering any Taxes for which Sphere or any Sphere Subsidiary is or may be liable; (B) to file any elections, designations or similar filings relating to Taxes for which Sphere or any Sphere Subsidiary is or may be liable; (C) Sphere or any Sphere Subsidiary is required to pay or remit any Taxes or amounts on account of Taxes; or (D) any Governmental Authority may assess or collect Taxes for which Sphere or any Sphere Subsidiary is or may be liable;
 - (v) except as disclosed in Schedule 4.1(aa)(v) of the Sphere Disclosure Letter and other than ordinary course audits and claims and/or as disclosed in Sphere's Public Record, there are no proceedings, investigations, audits or claims in progress or pending or, to the knowledge of Sphere, threatened against Sphere nor any Sphere Subsidiary in respect of Taxes and there are no matters under discussion, audit or appeal with any Governmental Authority relating to Taxes;
 - (vi) neither Sphere nor any Sphere Subsidiary has acquired property from a non-arm's length person, within the meaning of the Income Tax Act: (A) for consideration the value of which is less than the fair market value of the property; or (B) as a contribution of capital for which no shares were issued by the acquirer of the property;
 - (vii) Sphere has made available to Cathedra true and correct copies of: (A) all Tax Returns relating to the Taxes of Sphere or any Sphere Subsidiary that to the knowledge of Sphere have been filed in the last three (3) years; and (B) all material written communications to or from any Governmental Authority relating to the Taxes of Sphere or any Sphere Subsidiary that to the knowledge of Sphere has been received or sent in the last three (3) years;
 - (viii) for the purposes of the Income Tax Act, (A) Sphere and Sphere 3D Inc. are resident in Canada and are taxable Canadian corporations; and (B) all Sphere Subsidiaries except Sphere 3D Inc. are non-residents of Canada; and
 - (ix) there are no Encumbrances for Taxes upon any properties or assets of Sphere or of any of the Sphere Subsidiaries (other than Liens relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the consolidated balance sheet included in Sphere's audited consolidated financial statements as at and for the fiscal year ended December 31, 2024).
- (bb) **Finder's Fee.** Except as disclosed in Schedule 4.1(bb) of the Sphere Disclosure Letter, there is no investment banker, broker, finder or other intermediary that has been retained or is authorized to act on behalf of Sphere or any of the Sphere Subsidiaries who might be entitled to any fee or commission from Sphere or any of the Sphere Subsidiaries in connection with the transactions contemplated by this Agreement.

- (cc) **Absence of Cease Trade Orders.** No order ceasing or suspending trading of the Sphere Common Shares or any other securities of Sphere has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of Sphere, are pending, contemplated or threatened under any Securities Laws or by any other regulatory authority.
- (dd) **Related Party Transactions.**
 - (i) There are no contracts or other transactions currently in place between Sphere or any Sphere Subsidiary, on the one hand, and (A) any officer or director of Sphere or any Sphere Subsidiary, any affiliate or associate (including any spouse, parent, sibling or descendant of such person and any trust for the benefit of any of the foregoing persons) of any such, officer, director, or any family member of any of the foregoing; or (B) to the knowledge of Sphere, any holder of record or beneficial owner of 10% or more of the Sphere Common Shares or Sphere Series H Shares or any affiliate or associate (including any spouse, parent, sibling or descendant of such person and any trust for the benefit of any of the foregoing persons) of any such holder of record or beneficial owner, on the other hand; and
 - (ii) none of Sphere or any of its Subsidiaries is indebted to any director, officer, employee or agent of, or independent contractor to, Sphere or any of its Subsidiaries or any of their respective affiliates or associates, including any spouse, parent, sibling or descendant of such person and any trust for the benefit of any of the foregoing persons (except for amounts due in the ordinary course as salaries, bonuses, directors' fees or the reimbursement of ordinary course expenses).
- (ee) **Expropriation.** No material part of the property or assets of Sphere or any Sphere Subsidiary has been taken, condemned or expropriated by any Governmental Authority nor has any written notice, acknowledgement or proceeding in respect thereof been received by Sphere or any Sphere Subsidiary.
- (ff) **Rights of Other Persons.** No person has any right of first refusal or option to purchase or any other right of participation in any of the material properties or assets owned by Sphere, any Sphere Subsidiary or any part thereof.
- (gg) **Non-Governmental Organizations and Community Groups.** No material dispute between Sphere or any of the Sphere Subsidiaries and any nongovernmental organization, community, community group or civil organization exists or, to Sphere's knowledge, is threatened or imminent with respect to any of Sphere or any of the Sphere Subsidiaries' properties or operational activities. Sphere has provided Cathedra with full and complete access to all material correspondence received by Sphere, or the Sphere Subsidiaries from any non-governmental organization, community, community group or civil organization.
- (hh) **Corrupt Practices Legislation.** None of Sphere, any of its Subsidiaries or, to the knowledge of Sphere, any of its Representatives, has taken, committed to take or been alleged to have taken any action that would cause Sphere or any of its Subsidiaries to be in violation in any material respect of Corrupt Practices Legislation. None of Sphere or any of its Subsidiaries has received any notice alleging that Sphere, any of its Subsidiaries or Representatives has violated any Corrupt Practices Legislation

and, to the knowledge of Sphere, no condition or circumstances exist (including any ongoing proceeding) that would form the basis for any such allegations.

- (ii) **Money Laundering.** The operations of Sphere and each of its Subsidiaries are and have been conducted in compliance in all material respects with applicable Money Laundering Laws. None of Sphere or any of its Subsidiaries has received any notice alleging that Sphere, any of its Subsidiaries or Representatives has violated any Money Laundering Laws and, to the knowledge of cathedra, no condition or circumstances exist (including any ongoing proceeding) that would form the basis for any such allegations.
- (jj) **United States Securities Laws and Antitrust Laws.**
 - (i) Sphere's Common Shares are registered pursuant to Section 12(b) of the U.S. Securities Exchange Act. Other than the Sphere Common Shares, Sphere does not have, nor is it required to have, any class of securities registered under the U.S. Exchange Act.
 - (ii) Sphere is not an "investment company" registered, or required to register, under the United States Investment Company Act of 1940, as amended.
 - (iii) Sphere has timely filed or furnished with the SEC all reports, schedules, forms, statements, and other documents (including exhibits and other information incorporated therein) required to be filed or furnished by it since January 1, 2024, under the U.S. Securities Act or the U.S. Exchange Act (all such documents, collectively, the "**Sphere SEC Documents**"). The Sphere SEC Documents, including any audited or unaudited financial statements and any notes thereto or schedules included therein, at the time filed or furnished (except to the extent corrected by a subsequently filed or furnished Sphere SEC Document filed or furnished prior to the Effective Time) (A) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein (in the light of the circumstances under which they were made) not misleading, and (B) complied in all material respects with the applicable requirements of the U.S. Exchange Act and the U.S. Securities Act, as applicable.
- (kk) **Stock Exchange Compliance.** Except as set forth in Schedule 4.1(kk) of the Sphere Disclosure Letter, Sphere is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of NASDAQ.
- (ll) **Change of Control.** Except as set forth in Schedule 4.1(ll) of the Sphere Disclosure Letter, neither Sphere nor a Sphere Subsidiary is a party to any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction which includes provisions that would be triggered by this Agreement or the implementation of this Agreement including any change of control that may result, directly or indirectly, from this Agreement or the implementation of this Agreement.
- (mm) **Closing Payments.** Other than the Sphere Closing Payments, neither Cathedra nor any of its Subsidiaries has any Closing Payments.
- (nn) **Data Systems.**

- (i) In respect of the Systems of Sphere and its Subsidiaries:
 - (A) the Systems have been maintained and supported in accordance with prudent industry practices in all material respects;
 - (B) commercially reasonable controls are in place to control access and security to such Systems and there are appropriate firewalls, virus protection programs and other cybersecurity measures in place that are consistent with current standards and practices of a reasonably prudent business operating in a similar industry and that such measures and policies reasonably safeguard proper access to and the security of the data of Sphere and its Subsidiaries;
 - (C) all software being used is supported by valid licenses and all licenses in respect of such software are in good standing in all material respects and not in default in any material respect; and
 - (D) all related data, content and programs are backed-up regularly with copies stored safely and securely off-site.
- (ii) There have been no written complaints relating to any improper use or disclosure of any information involving Sphere or its Subsidiaries, nor any breach in the information security, cybersecurity or similar systems in respect of Sphere or its Subsidiaries in the past three years.
- (iii) To the knowledge of Sphere, the computer and data processing systems, facilities and services used by Sphere are substantially free of any material defects, bugs and errors and do not contain any disabling codes or instructions, spyware, trojan horses, worms, viruses or other software routines that permit or cause unauthorized access to, or disruption, impairment, disablement or destruction of, software, data or other materials wherein any trade secrets or proprietary information of Sphere or its Subsidiaries has been disclosed to a third party.
- (oo) **Competition Act (Canada).** Neither the aggregate value of the assets in Canada of Cathedra and the entities it controls nor the annual gross revenues from sales in or from Canada generated from those assets, all as determined in accordance with Part IX of the *Competition Act* (Canada) and the *Notifiable Transaction Regulations* thereunder, exceed \$93 million.
- (pp) **No Collateral Benefit.** To the knowledge of Sphere, no related party of Sphere together with its associated entities (within the meaning of MI 61-101), beneficially owns or exercises control or direction over 1% or more of the outstanding Sphere Common Shares or Sphere Series H Shares, except for related parties who will not receive a collateral benefit (within the meaning of MI 61-101) as a consequence of the transactions contemplated by this Agreement.

(qq) **Privacy.**

- (i) Sphere and the Sphere Subsidiaries are and have at all times been in compliance in all material respects with all Applicable Laws relating to Privacy Laws and industry standards relating to the processing by Sphere and the Sphere Subsidiaries of Personal Information, including the disclosing or transferring of Personal Information in the course of operating the business of Sphere. To the knowledge of Sphere, (A) there are no complaints made to, or any audit, proceeding, investigation (formal or informal) or claim currently pending against, Sphere or the Sphere Subsidiaries by any private party or any Governmental Authority with respect to the processing of Personal Information, or in respect of any other Applicable Laws pertaining to privacy, Personal Information, anti-spam, or spyware (including consent, registration or notification requirements), and (B) there is no reasonable basis for any such complaint, audit, proceeding, investigation or claim.
- (ii) Sphere and the Sphere Subsidiaries maintain materially appropriate Privacy Policies. Sphere and the Sphere Subsidiaries are and have at all times been in compliance with the Privacy Policies, in all material respects. To the knowledge of Sphere, Sphere and the Sphere Subsidiaries are and have at all times been in compliance with the Privacy Policies, in all material respects. To the knowledge of Sphere, Sphere and the Sphere Subsidiaries have not experienced any unauthorized access, misuse, loss, destruction, disposal or damage to any of the Personal Information under its custody or control.
- (iii) None of (A) the transfer to Cathedra Representatives by Sphere and the Sphere Subsidiaries of the Personal Information as part of the Cathedra's due diligence and in connection with this Agreement; (B) the execution, delivery or performance of, or consummation of this Agreement or the Arrangement; or (C) Cathedra's possession or use of any Personal Information, will result in any violation of Law or the Privacy Policies, in any material respect.
- (iv) To the knowledge of the Sphere, Sphere and the Sphere Subsidiaries have never experienced a security or data breach in respect of Personal Information or any information pertaining to or concerning the business of Sphere and the Sphere Assets, including any and all information relating to their respective businesses, affairs, finances, opportunities, projections, customers, suppliers, assets, liabilities, operations and internal practices.

(rr) **Issuance of Sphere Common Shares.** The Sphere Common Shares and Sphere Series I Shares to be issued as the Consideration Shares will, when issued pursuant to the Arrangement, be duly and validly issued as fully paid and non-assessable common shares in the capital of Sphere and fully paid and non-assessable Series I Preferred Shares in the capital of Sphere, respectively.

(ss) **Share Ownership.** Neither Sphere, nor any of its affiliates, is a beneficial owner of any securities of Cathedra.

(tt) **Amalco Sub.**

- (i) The authorized share capital of Amalco Sub consists of an unlimited number of common shares.

- (ii) As of the date hereof, there are issued and outstanding 100 common shares of Amalco Sub and there are no other securities of Amalco Sub or right to acquire common shares of Amalco Sub outstanding. The stated capital of Amalco Sub is \$100.00.
- (iii) Since its formation, Amalco Sub has not engaged in any business activities other than as contemplated by this Agreement, does not own directly or indirectly any ownership, equity, profits or voting interest in any person and has no assets or liabilities except those incurred in connection with this Agreement and the Arrangement, and other than this Agreement, Amalco Sub is not party to or bound by any contract.

4.2 Survival of Representations and Warranties

The representations and warranties of Sphere and Amalco Sub contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 5 COVENANTS

5.1 Covenants of Cathedra Regarding the Conduct of Business

Cathedra covenants and agrees that from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as expressly contemplated or permitted by this Agreement, required by Applicable Law or Governmental Authority or consented to by Sphere in writing, such consent not to be unreasonably withheld, conditioned or delayed:

- (a) the business of Cathedra and the Cathedra Subsidiaries shall be conducted only, and Cathedra and the Cathedra Subsidiaries shall not take any action except, in the ordinary course consistent with past practice or as set forth in Schedule 5.1(a) of the Cathedra Disclosure Letter;
- (b) it will use its best efforts to preserve intact its and each of its Subsidiaries' business organization, assets, properties, and goodwill, to keep available the services of its and its Subsidiaries' officers and employees as a group up to the Effective Date and to maintain satisfactory relationships with contractors, suppliers, agents and others having business relationships with Cathedra and/or its Subsidiaries;
- (c) without limiting the generality of Subsection 5.1(a), it will not, and it will cause its Subsidiaries not to, without the prior written consent of Sphere, such consent not to be unreasonably withheld, conditioned or delayed:
 - (i) directly or indirectly, take or permit any action that would, or that reasonably may be expected to, be inconsistent with, interfere with or significantly impede the completion of the Arrangement or the transactions contemplated under this Agreement, or would render, or that reasonably may be expected to render, any representation or warranty of Cathedra to be untrue in any material respect at any time prior to the Effective Time as if made at that time;
 - (ii) issue or authorize the issuance of any shares or securities or financial instruments convertible or exercisable into shares other than pursuant to the exercise, settlement or conversion, as applicable, of outstanding Cathedra

Options, Cathedra Warrants, Cathedra RSUs and Cathedra MV Shares; provided, however, that nothing in this Section 5.1 shall require Sphere's consent for any issuances of Cathedra RSUs pursuant to the Cathedra LTIP;

- (iii) subdivide, combine or reclassify any of its outstanding securities, or amend the terms thereof, or declare, set aside or pay any dividend or other distribution payable in cash, securities, property, assets or otherwise with respect to its securities;
 - (iv) redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any securities of Cathedra or any of its Subsidiaries;
 - (v) reorganize, amalgamate, enter into an arrangement with or merge, or agree with any other person to reorganize, amalgamate, enter into an arrangement with or merge except pursuant to the Arrangement;
 - (vi) change, amend or modify the charter documents or by-laws of Cathedra or the Cathedra Subsidiaries, other than as disclosed to and approved by Sphere;
 - (vii) make any change in Cathedra's methods of accounting, policies, principles, practices or procedures, except as required by concurrent changes in IFRS;
 - (viii) except as disclosed to and approved by Sphere, acting reasonably, settle, pay, discharge, satisfy, compromise, waive, assign or release, (A) any material action, claim or proceeding brought against Cathedra and/or any of its Subsidiaries; or (B) any action, claim or proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Plan of Arrangement; or
 - (ix) except as done in the ordinary course of business: (A) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer, any assets, securities, properties, interests or businesses of Cathedra or any of its Subsidiaries; (B) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise), directly or indirectly, any assets, securities, properties, interests, businesses, corporation, partnership or other business organization or division thereof, or make any investment either by the purchase of securities, contribution of capital, property transfer, or purchase of any other property or assets of any other person; (C) incur, create, assume or otherwise become liable for, any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person; (D) pay, discharge or satisfy any material liabilities or obligations; (E) waive, release, grant or transfer any rights of material value; (F) enter into new commitments of a capital expenditure nature in excess of \$200,000 in the aggregate (the "**Cathedra CAPEX Cap**"); or (G) authorize or propose any of the foregoing, or enter into any agreement to do any of the foregoing.
- (d) it will promptly inform Sphere of:
- (i) any material adverse change, or any change which would reasonably be expected to become a material adverse change, in respect of Cathedra and its Subsidiaries;

- (ii) any event occurring prior to the Effective Time that, to the knowledge of Cathedra, would render any representation or warranty of Cathedra herein untrue in any material respect if made on and as of the Effective Date;
 - (iii) any breach by Cathedra of its obligations under this Agreement;
 - (iv) unless prohibited by Applicable Law and except if such potential consent relates solely to such person's consent as a Cathedra Shareholder with respect to the Arrangement Resolution, any notice or other communication received by Cathedra or any of its Subsidiaries from any person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such person (or another person) is or may be required in connection with this Agreement or the Arrangement (including a copy of any such written notice or communication);
 - (v) any notice or other communication received by Cathedra or any of its Subsidiaries from any supplier, customer or any counterparty to a Cathedra Material Contract to the effect that such supplier, customer or counterparty is terminating or otherwise materially adversely modifying (or threatening to terminate or otherwise materially adversely modify) its relationship with Cathedra or any of its Subsidiaries as a result of this Agreement or the Arrangement (including a copy of any such written notice or communication); or
 - (vi) any proceeding commenced or, to Cathedra's knowledge, threatened against, relating to or involving, or otherwise affecting Cathedra or any of its Subsidiaries in connection with this Agreement or the Arrangement.
- (e) it will use all commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent set forth in Section 6.1 and 6.2 to the extent that satisfaction of such conditions precedent is within Cathedra's control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Laws to complete the Arrangement, including Cathedra's commercially reasonable efforts to:
- (i) provide all necessary notices, and obtain all necessary waivers, consents and approvals, required to be made or obtained by it to and from any other parties to the agreements, arrangements, commitments or understandings to which Cathedra or a Cathedra Subsidiary is a party or by which Cathedra, any of its Subsidiaries or any of their respective properties or assets are bound;
 - (ii) provide all necessary notices, and obtain all necessary consents, approvals and authorizations, as are required to be made or obtained by it or any of its Subsidiaries under any Applicable Laws;
 - (iii) effect all necessary registrations and filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Arrangement and participate and appear in any proceedings of any Party before Governmental Authorities;
 - (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the

Parties to consummate the Arrangement or the other transactions contemplated hereby;

- (v) fulfill all conditions and satisfy all provisions of this Agreement and the Arrangement; and
- (vi) cooperate with Sphere in connection with the performance of its obligations hereunder;
- (f) it will use its reasonable commercial efforts to conduct its affairs, and to cause its Subsidiaries to conduct their affairs, so that the condition set forth in Section 6.2(a) is satisfied;
- (g) it shall keep Sphere fully informed as to all material decisions, actions or commitments required to be made with respect to the operations of the business of Cathedra and the Cathedra Subsidiaries;
- (h) it will provide Sphere and Sphere's Representatives with such information concerning Cathedra and its properties, assets and businesses as Sphere may reasonably request and such access to the properties, books and records of Sphere as Sphere may reasonably require, and shall do, and shall cause its officers and employees to do, all things necessary to ensure that the Arrangement occurs in an orderly manner, without unnecessary disruptions, at the Effective Time, including preparing for an orderly transition in respect of banking, accounting and taxation work and by transferring, as of the Effective Time, account-signing authorities to such Sphere employees as mutually agreed between Sphere and Cathedra;
- (i) subject to Applicable Laws, except for non-substantive communications, furnish promptly to Sphere a copy of each notice, report, schedule or other document or communication delivered, filed or received by Cathedra in connection with any dealings with Governmental Authorities or the TSXV in connection with, or in any way affecting, the Arrangement or the other transactions contemplated herein;
- (j) prior to the Effective Date, Cathedra shall use commercially reasonable efforts to take, or cause to be taken, all actions, and do or cause to be done all things reasonably necessary, proper or advisable on its part under Applicable Laws and rules and policies of the TSXV to cause the delisting of the Cathedra SV Shares from the TSXV as promptly as practicable after the Effective Time;
- (k) from and after the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms, Cathedra shall, and shall cause its Subsidiaries to, except as set forth in Schedule 5.1(k) of the Cathedra Disclosure letter, only make Permitted Expenditures, unless otherwise agreed in writing by Sphere; and
- (l) Cathedra will use commercially reasonable efforts to: (i) prepare and file the U.S. federal corporate income Tax Return of Cathedra on IRS Form 1120 for the fiscal year ended December 31, 2024, and (ii) restore Two Key Technologies LLC and North Campbell HoldCo LLC into good standing with the Tennessee Department of Revenue due to unfiled franchise and excise Tax Returns for the fiscal year ended December 31, 2024.

5.2 Covenants of Sphere Regarding the Conduct of Business

Sphere covenants and agrees that from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as expressly contemplated or permitted by this Agreement, required by Applicable Law or Governmental Authority or consented to by Cathedra in writing, such consent not to be unreasonably withheld, conditioned or delayed:

- (a) the business of Sphere and the Sphere Subsidiaries shall be conducted only, and Sphere and the Sphere Subsidiaries shall not take any action except, in the ordinary course consistent with past practice or as set forth in Schedule 5.2(a) of the Sphere Disclosure Letter;
- (b) except as set forth in Schedule 5.2(a) of the Sphere Disclosure Letter, it will use its best efforts to preserve intact its and each of its Subsidiaries' business organization, assets, properties and goodwill, to keep available the services of its and its Subsidiaries' officers and employees as a group up to the Effective Date and to maintain satisfactory relationships with contractors, suppliers, agents and others having business relationships with Sphere and/or its Subsidiaries;
- (c) without limiting the generality of Subsection 5.2(a), it will not, and it will cause its Subsidiaries not to, without the prior written consent of Cathedra, such consent not to be unreasonably withheld, conditioned or delayed:
 - (i) directly or indirectly, take or permit any action that would, or that reasonably may be expected to, be inconsistent with, interfere with or significantly impede the completion of the Arrangement or the transactions contemplated under this Agreement, or would render, or that reasonably may be expected to render, any representation or warranty of Sphere to be untrue in any material respect at any time prior to the Effective Time as if made at that time;
 - (ii) issue or authorize the issuance of any shares or securities or financial instruments convertible or exercisable into shares other than the Consideration Shares, the Replacement Options, the Replacement Warrants, the Replacement RSUs, or pursuant to the exercise of outstanding Sphere Options, Sphere Warrants, Sphere RSUs and Sphere RSAs; provided, however, that nothing in this Section 5.2 shall require Cathedra's consent for any issuance of (A) Sphere Common Shares issued as to suppliers in settlement of invoices therefrom or other amounts owed thereto; (B) Sphere Common Shares and/or Sphere RSUs issued in lieu of cash as payments to members of the Sphere Board for service thereon; (C) Sphere Common Shares pursuant to the ATM Agreement, including for net proceeds in excess of US\$1,000,000; provided further that if, and to the extent that, Sphere issues Sphere Common Shares pursuant to the ATM Agreement for aggregate net proceeds in excess of US\$1,000,000, the number of Consideration Shares issuable to Cathedra Shareholders shall be adjusted by recalculating the SVS Exchange Ratio and the MVS Exchange Ratio to reflect such additional Sphere Common Shares issued for the aggregate net proceeds in excess of US\$1,000,000 only, such that, as nearly as practicable, the relative economic value and proportionate ownership of the Cathedra Shareholders immediately prior to such issuance is preserved; (D) Sphere Common Shares in settlement of outstanding Sphere Warrants; or (E) Sphere RSUs and Sphere Options pursuant to the Sphere PIP;

- (iii) subdivide, combine or reclassify any of its outstanding securities, or amend the terms thereof, or declare, set aside or pay any dividend or other distribution payable in cash, securities, property, assets or otherwise with respect to its securities;
 - (iv) redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any securities of Sphere or any of its Subsidiaries (other than any outstanding Sphere Warrants);
 - (v) reorganize, amalgamate, enter into an arrangement with or merge, or agree with any other person to reorganize, amalgamate, enter into an arrangement with or merge except pursuant to the Arrangement;
 - (vi) except for the creation of the Sphere Series I Shares, change, amend or modify the charter documents or by-laws of Sphere or the Sphere Subsidiaries, other than as disclosed to and approved by Cathedra;
 - (vii) make any change in Sphere's methods of accounting policies, principles, practices or procedures, except as required by concurrent changes in GAAP;
 - (viii) except as disclosed to and approved by Cathedra, acting reasonably, settle, pay, discharge, satisfy, compromise, waive, assign or release, (A) any material action, claim or proceeding brought against Sphere and/or any of its Subsidiaries; or (B) any action, claim or proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Plan of Arrangement; or
 - (ix) except as done in the ordinary course of business, (A) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer, any assets, securities, properties, interests or businesses of Sphere or any of its Subsidiaries; (B) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise), directly or indirectly, any assets, securities, properties, interests, businesses, corporation, partnership or other business organization or division thereof, or make any investment either by the purchase of securities, contribution of capital, property transfer, or purchase of any other property or assets of any other person; (C) incur, create, assume or otherwise become liable for, any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person; (D) pay, discharge or satisfy any material liabilities or obligations other than those related to Sphere Warrantholders; (E) waive, release, grant or transfer any rights of material value; (F) enter into new commitments of a capital expenditure nature in excess of \$200,000 in the aggregate (the "**Sphere CAPEX Cap**"); or (G) authorize or propose any of the foregoing, or enter into any agreement to do any of the foregoing.
- (d) it will promptly inform Cathedra of:
- (i) any material adverse change, or any change which would reasonably be expected to become a material adverse change, in respect of Sphere and its Subsidiaries;

- (ii) any event occurring prior to the Effective Time that, to the knowledge of Sphere, would render any representation or warranty of Sphere untrue in any material respect if made on and as of the Effective Date;
 - (iii) any breach by Sphere of its obligations under this Agreement;
 - (iv) unless prohibited by Applicable Law and except if such potential consent relates solely to such person's consent as a Sphere Shareholder with respect to the Sphere Resolution, any notice or other communication received by Sphere or any of its Subsidiaries from any person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such person (or another person) is or may be required in connection with this Agreement or the Arrangement (including a copy of any such written notice or communication);
 - (v) any notice or other communication received by Sphere or any of its Subsidiaries from any supplier, customer or any counterparty to a Sphere Material Contract to the effect that such supplier, customer or counterparty is terminating or otherwise materially adversely modifying (or threatening to terminate or otherwise materially adversely modify) its relationship with Sphere or any of its Subsidiaries as a result of this Agreement or the Arrangement (including a copy of any such written notice or communication); or
 - (vi) any proceeding commenced or, to Sphere's knowledge, threatened against, relating to or involving, or otherwise affecting Sphere or any of its Subsidiaries in connection with this Agreement or the Arrangement.
- (e) it will use all commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent set forth in Section 6.1 and 6.3 to the extent that satisfaction of such conditions precedent is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Laws to complete the Arrangement, including its commercially reasonable efforts to:
- (i) provide all necessary notices, and obtain all necessary waivers, consents and approvals. required to be made or obtained by it to and from other parties to the agreements, arrangements, commitments, or understandings to which Sphere or any of its Subsidiaries is a party or by which Sphere, any of its Subsidiaries or any of their respective properties or assets are bound;
 - (ii) provide all necessary notices, and obtain all necessary consents, approvals and authorizations, as are required to be made or obtained by it or any of its Subsidiaries under any Applicable Laws,
 - (iii) effect all necessary registrations and filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Arrangement and participate and appear in any proceedings of any Party before Governmental Authorities;
 - (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the

Parties to consummate the Arrangement or the other transactions contemplated hereby;

- (v) fulfil all conditions and satisfy all provisions of this Agreement and the Arrangement; and
 - (vi) cooperate with Cathedra in connection with the performance of its obligations hereunder;
- (f) it will use its reasonable commercial efforts to conduct its affairs, and to cause its Subsidiaries to conduct their affairs, so that the condition set forth in Section 6.3(a) is satisfied;
- (g) it shall keep Cathedra fully informed as to all material decisions, actions or commitments required to be made with respect to the operations of the business of Sphere and the Sphere Subsidiaries;
- (h) it will provide Cathedra and Cathedra's Representatives with such information concerning Sphere and its properties, assets and businesses as Cathedra may reasonably request and such access to the properties, books and records of Sphere as Cathedra may reasonably require, and shall do, and shall cause its officers and employees to do, all things necessary to ensure that the Arrangement occurs in an orderly manner, without unnecessary disruptions, at the Effective Time, including preparing for an orderly transition in respect of banking, accounting and taxation work and by transferring, as of the Effective Time, account-signing authorities to such Cathedra employees or consultants that will become officers of Sphere at the Effective Time as mutually agreed between Sphere and Cathedra; and
- (i) from and after the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms, Sphere shall, and shall cause its Subsidiaries to, except as set forth on Schedule 5.2(i) of the Sphere Disclosure letter, only make Permitted Expenditures, unless otherwise agreed in writing by Cathedra.

5.3 Covenants of Sphere Relating to the Arrangement

Subject to Section 5.4, which shall govern in relation to Regulatory Approvals, Sphere covenants and agrees that until the Effective Time or the earlier termination of this Agreement pursuant to Section 10.1, except as expressly contemplated or permitted in this Agreement or consented to by Cathedra in writing, it will, and will cause its Subsidiaries and Representatives to:

- (a) subject to Applicable Laws, except for non-substantive communications, furnish promptly to Cathedra a copy of each notice, report, schedule or other document or communication delivered, filed or received by Sphere in connection with any dealings with Governmental Authorities or NASDAQ in connection with, or in any way affecting, the Arrangement or the other transactions contemplated herein;
- (b) prepare and file with all applicable Securities Authorities, all necessary applications to seek exemptions, if required, from the prospectus, registration and other requirements of the Applicable Securities Laws of the provinces of Canada and the United States for the issue by Sphere of Sphere Common Shares and Sphere Series I Shares pursuant to the Arrangement and the resale of such securities (other than by "control persons" of Sphere, as that term or its equivalent is used in applicable

Canadian Securities Laws, or "affiliates" of Sphere as that term is used in the U.S. Securities Act);

- (c) at or prior to the Effective Time, allot and reserve for issuance a sufficient number of Sphere Common Shares and Sphere Series I Shares to meet the obligations of Sphere under the Arrangement (including upon the exercise, settlement or conversion, as applicable, of the Replacement Options, Replacement Warrants and Replacement RSUs);
- (d) at or prior to the Effective Time, authorize, allot and reserve for issuance a sufficient number of Replacement Options, Replacement Warrants, and Replacement RSUs to meet the obligations of Sphere under the Arrangement; and
- (e) take all necessary actions to have the Sphere Common Shares issued in connection with the Arrangement and upon the exercise, settlement or conversion, as applicable, of the Sphere Series I Shares, Replacement Options, Replacement RSUs and Replacement Warrants listed and to have such Sphere Common Shares posted for trading on NASDAQ.

5.4 Regulatory Approvals

- (a) As soon as reasonably practicable after the date of this Agreement, the Parties shall prepare and file all necessary documents, registrations, statements, petitions, filings and applications with any Governmental Authority, NASDAQ, FINRA and the TSXV, as applicable required to obtain any Regulatory Approvals and use their commercially reasonable efforts to obtain and maintain all Regulatory Approvals.
- (b) The Parties shall co-operate and coordinate with one another in connection with obtaining the Regulatory Approvals, including by providing or submitting as promptly as possible all documentation and information that is required or, in the opinion of a Party, acting reasonably, advisable in connection with obtaining the Regulatory Approvals and use their commercially reasonable efforts to ensure that such information does not contain a misrepresentation.
- (c) With respect to obtaining the Regulatory Approvals, each Party shall:
 - (i) co-operate with the other Party and keep the other Party fully informed as to the status of and the processes and proceedings relating to obtaining the Regulatory Approvals;
 - (ii) promptly notify the other Party of any communication from any Governmental Authority, NASDAQ, FINRA and the TSXV relating to any Regulatory Approval and provide the other Party with copies of any written communications from any Governmental Authority, NASDAQ and the TSXV relating to any Regulatory Approval; and
 - (iii) use its commercially reasonable efforts to respond as promptly as reasonably possible to any inquiries or requests received from a Governmental Authority, NASDAQ, FINRA and the TSXV, in respect of any Regulatory Approval;
- (d) permit the other Party to review in advance any proposed written communications of any material nature with a Governmental Authority, NASDAQ, FINRA and the TSXV in respect of any Regulatory Approval, give due consideration to any comments or

suggestions received from the other Party and provide the other Party with final copies of all such written communications; and

- (e) not participate, or permit a Representative to participate, in any substantive meeting (whether in person, by phone or otherwise) with a Governmental Authority, NASDAQ, FINRA and the TSXV in respect of any Regulatory Approval unless it consults with the other Party in advance and gives such other Party an opportunity to attend.

5.5 Financial Statements. No later than March 31, 2026, each Party shall provide to the other Party audited annual consolidated financial statements for the fiscal year ended December 31, 2025.

ARTICLE 6 CONDITIONS

6.1 Mutual Conditions Precedent

The respective obligations of the Parties to complete the transactions contemplated herein are subject to the fulfilment of the following conditions at or prior to the Effective Time, each of which may only be waived, in whole or in part, with the mutual consent of the Parties:

- (a) the Court shall have granted the Interim Order in form and substance satisfactory to Sphere and Cathedra, acting reasonably, and the Interim Order shall not have been set aside or modified in a manner unacceptable to Sphere or Cathedra, each acting reasonably, on appeal or otherwise;
- (b) the Cathedra Shareholders shall have approved the Arrangement Resolution at the Cathedra Meeting in accordance with the Interim Order, the articles and notice of articles of Cathedra and any Applicable Laws, and the Arrangement Resolution shall not have been rescinded or amended in a manner unacceptable to Sphere or Cathedra, acting reasonably;
- (c) the Court shall have granted the Final Order in form and substance satisfactory to both Sphere and Cathedra, acting reasonably, and will not have been modified or set aside in a manner that is unacceptable to Sphere or Cathedra, acting reasonably, on appeal or otherwise;
- (d) the Sphere Shareholders shall have approved the Sphere Resolution at the Sphere Meeting in accordance with the articles and by-laws of Sphere and any Applicable Laws, and the Sphere Resolution shall not have been rescinded or amended in a manner unacceptable to Cathedra or Sphere, acting reasonably;
- (e) there shall not exist any prohibition at Law, including a cease trade order, injunction or other prohibition or order of Law or under any applicable legislation, against Sphere or Cathedra which shall prevent the consummation of the Arrangement;
- (f) there shall have been no action taken under any Applicable Law or by any Governmental Authority which:
 - (i) makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the completion of the Arrangement; or
 - (ii) results or would reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Arrangement which has, or could have, a Material Adverse Effect on Sphere or Cathedra,

including due to any impact upon the assets, rights or interests of any of the Sphere Subsidiaries or the Cathedra Subsidiaries, subsequent to the Effective Date;

- (g) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Authority and the expiry of any waiting periods, required to permit the completion of the Arrangement, and all Required Consents shall have been obtained or received on terms that are reasonably satisfactory to each Party;
- (h) NASDAQ shall not have objected, nor indicated any final intent to object, to the listing thereon and to the ongoing inclusion of the Sphere Common Shares to be issued to Cathedra Shareholders on NASDAQ pursuant to the Arrangement and the Sphere Common Shares issuable pursuant to the Sphere Series I Shares, Replacement Options, Replacement RSUs and Replacement Warrants, subject only to such conditions, including the filing of documentation, as are acceptable to Sphere and Cathedra, acting reasonably; provided, that in the event of receipt by Sphere of a notice from the Nasdaq Listing Qualifications Department of a deficiency with respect to NASDAQ's continued listing standards, Cathedra shall be permitted to determine in its sole discretion acting reasonably, whether such deficiency constitutes a failure to meet the condition set forth in this Section 6.1(h), it being understood that, solely relating to noncompliance with respect to NASDAQ continued listing standards relating to the price per Sphere Common Share, the market value of Sphere's listed securities and/or the number of publicly held Sphere Common Shares, only a notice of delisting from the Nasdaq Listing Qualifications Department or a notice of deficiency that, in Cathedra's sole discretion acting reasonably, cannot be cured within the cure period provided by NASDAQ, may constitute a failure to meet the condition set forth in this Section 6.1(h).
- (i) the TSXV shall have accepted notice of Arrangement;
- (j) the distribution of the Consideration Securities pursuant to the Arrangement shall (i) be exempt from registration and prospectus requirements of Applicable Canadian Securities Laws, and (ii) except with respect to persons deemed to be "control persons" of Sphere or the equivalent under Canadian Securities Laws, the Consideration Shares to be distributed in Canada pursuant to the Arrangement shall not be subject to any resale restrictions under applicable Canadian Securities Laws;
- (k) the distribution of the Consideration Securities pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act and, except with respect to persons who are "affiliates" (as that term is used in the U.S. Securities Act) of Sphere, the Consideration Shares to be issued in the United States pursuant to the Arrangement shall not be subject to resale restrictions under the U.S. Securities Laws; provided, however, that Cathedra shall not be entitled to rely on the provisions of this Subsection 6.1(k) in failing to consummate the Arrangement in the event that Cathedra fails to advise the Court prior to the hearing in respect of the Final Order, as required by the terms of the foregoing exemption, that Sphere will rely on the foregoing exemption based on the Court's approval of the Arrangement (including the fairness thereof);
- (l) the Arrangement Agreement shall not have been terminated pursuant to Article 10;

- (m) Sphere and Joel Block shall have executed the Management Member Employment Agreement effective as of the Effective Time and in a form mutually agreed on by Sphere, Cathedra and Joel Block, each acting reasonably, which Management Member Employment Agreement will include the material terms set forth in Schedule "C";
- (n) Sphere and Thomas Masiero shall have either (i) executed an employment agreement in form and substance reasonably acceptable to Sphere, Cathedra and Thomas Masiero, effective as of the Effective Time, or (ii) caused the consulting agreement between Poimen Trust, Cathedra and Fortress Blockchain (US) Holdings Corp. to remain in effect;
- (o) Joel Block and Sphere shall have executed a sale based non-compete agreement in form and substance reasonably acceptable to Sphere, Cathedra and Joel Block, effective as of the Effective Time;
- (p) the Consideration Securities to be issued pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof.

The conditions precedent in this Section 6.1 are for the mutual benefit of the Parties and may be waived, in whole or in part, at any time if waived by both Parties, such waiver being without prejudice to any other rights that each Party may have.

6.2 Conditions to Obligations of Sphere

The obligations of Sphere to complete the transactions contemplated herein are subject to the fulfilment of the following conditions at or prior to the Effective Time:

- (a) the representations and warranties of Cathedra set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Material Adverse Effect qualifications contained in them, as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where any failure or failures of any such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Material Adverse Effect on Cathedra; and Sphere shall have received a certificate of two senior officers of Cathedra (in each case without personal liability) addressed to Sphere and dated as of the Effective Date confirming the same, such certificate to be in a form and substance satisfactory to Sphere, acting reasonably;
- (b) all covenants of Cathedra under this Agreement to be performed on or before the Effective Time shall have been duly performed by Cathedra in all material respects, and Sphere shall have received a certificate of two senior officers of Cathedra (in each case without personal liability) addressed to Sphere and dated as of the Effective Date confirming the same, and certifying a list of Transaction Expenses and Cathedra Closing Payments incurred by Cathedra and its Subsidiaries for the period from the date hereof to the Effective Time, such certificate to be in a form and substance satisfactory to Sphere, acting reasonably;
- (c) from the date of this Agreement to the Effective Date, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public), any event, change, occurrence or state of facts that, either individually or in the aggregate, have or would reasonably be expected to have a Material Adverse Effect on Cathedra,

and Sphere shall have received a certificate of two senior officers of Cathedra (in each case without personal liability) addressed to Sphere and dated as of the Effective Date confirming the same, such certificate to be in a form and substance satisfactory to Sphere, acting reasonably;

- (d) Sphere shall have received resignations and releases in favour of Cathedra from such directors and officers of Cathedra or a Cathedra Subsidiary as Sphere may indicate in writing, as agreed to by Cathedra, acting reasonably, such resignations to be effective as of the Effective Time and in form and substance satisfactory to Sphere, acting reasonably;
- (e) holders of no more than 5% of the outstanding Cathedra Shares (calculated on an as-converted basis into Cathedra SV Shares) shall have exercised Dissent Rights (or, if exercised, remain unwithdrawn), and Sphere shall have received a certificate dated as of the Effective Date setting out in detail all Dissent Rights exercised or purported to have been exercised;
- (f) Sphere shall have received duly executed voting agreements, from the Principal Holders in form and substance mutually agreed by Cathedra and Sphere, acting reasonably, pursuant to which, for a period of twenty four (24) months following the Effective Date, each of the Principal Holders agree to vote all Sphere Common Shares held by them at any meeting of Sphere's shareholders in accordance with the recommendations of Sphere's Board, so long as such Principal Holder is not materially and disproportionately adversely impacted by the proposal compared to other Sphere shareholders. For clarity, the creation of a new class or series of shares equal or superior to the Sphere Series I Shares shall not constitute a proposal that will materially and disproportionately adversely impact a Principal Holder;
- (g) except as set forth in Schedule 6.2(g) of the Cathedra Disclosure letter, no "put" rights, conversion rights, exercise rights or similar right of shareholders or the holders of convertible securities of any kind, in each case of Cathedra or any of its subsidiaries, shall be triggered by the consummation of this Agreement; **and**
- (h) Cathedra shall have delivered to Sphere all documents reasonably necessary to document its compliance with Subsection 5.1(h).

The foregoing conditions precedent are for the benefit of Sphere and may be waived, in whole or in part, by Sphere in writing at any time.

6.3 Conditions to Obligations of Cathedra

The obligation of Cathedra to complete the transactions contemplated herein is subject to the following conditions on or before the Effective Time or such other time as specified below:

- (a) the representations and warranties of Sphere set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Material Adverse Effect qualifications contained in them, as of the Effective Time as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where any failure or failures of any such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Material Adverse Effect on Sphere; and Cathedra shall have received a certificate of two senior officers of Sphere (in each case without personal liability) addressed to

Cathedra and dated as of the Effective Date confirming the same, such certificate to be in a form and substance satisfactory to Cathedra, acting reasonably;

- (b) all covenants of Sphere under this Agreement to be performed on or before the Effective Time shall have been duly performed by Sphere in all material respects, and Cathedra shall have received a certificate of two senior officers of Sphere (in each case without personal liability) addressed to Cathedra and dated as of the Effective Date confirming the same, and certifying a list of Transaction Expenses and Sphere Closing Payments incurred by Sphere and its Subsidiaries for the period from the date hereof to the Effective Time, such certificate to be in a form and substance satisfactory to Cathedra, acting reasonably;
- (c) from the date of this Agreement to the Effective Date, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public), any event, change, occurrence or state of facts that, either individually or in the aggregate, have or would reasonably be expected to have a Material Adverse Effect on Sphere, and Cathedra shall have received a certificate of two senior officers of Sphere (in each case without personal liability) addressed to Cathedra and dated as of the Effective Date confirming the same, such certificate to be in a form and substance satisfactory to Cathedra, acting reasonably;
- (d) the Sphere Series I Shares shall have been created and Sphere will have allotted and issued the Consideration Shares to be exchanged for Cathedra Shares pursuant to the Arrangement and delivered such Consideration Shares to the Depositary in accordance with the terms of the Arrangement and the Depositary Agreement;
- (e) Sphere will have granted the Replacement Options, Replacement RSUs and Replacement Warrants in exchange for the Cathedra Options, Cathedra RSUs and Cathedra Warrants (as the case may be), as at the Effective Time pursuant to the Arrangement and will have executed and delivered counterparts for stock option agreements in respect of such Replacement Options, award agreements for Replacements RSUs and warrant certificates in respect of such Replacement Warrants (as may be necessary);
- (f) Sphere shall have submitted to NASDAQ a Listing of Additional Shares Notification Form with respect to the Sphere Common Shares to be issued pursuant to the Arrangement and upon the exercise, settlement or conversion of Replacement Options, Replacement RSUs, Replacement Warrants and the Sphere Series I Shares, as applicable;
- (g) (i) The directors of Sphere immediately prior to the Effective Time who are not Director Nominees shall have delivered executed resignation letters in form and substance reasonably satisfactory to Sphere and Cathedra, (ii) Kurt Kalbfleisch shall be terminated as Chief Executive Officer of Sphere, (iii) the Director Nominees (to the extent they consented to their appointment) shall have been appointed or elected to the Sphere Board effective as of the Effective Time and (iv) Joel Block shall have been appointed as Chief Executive Officer of Sphere effective as of the Effective Time; and
- (h) except as set forth in Schedule 6.3(h) of the Sphere Disclosure letter, no “put” rights, conversion rights, exercise rights or similar right of shareholders or the holders of

convertible securities of any kind, in each case of Sphere or any of its subsidiaries, shall be triggered by the consummation of this Agreement.

The foregoing conditions precedent are for the benefit of Cathedra and may be waived, in whole or in part, by Cathedra in writing at any time.

6.4 Co-operation

Each of the Parties shall use all reasonable commercial efforts to satisfy each of the conditions precedent to its obligations and take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws, to permit the completion of the Arrangement and the other transactions contemplated in this Agreement in accordance with the provisions of this Agreement and to complete and make effective the Arrangement and the other transactions contemplated in this Agreement and to co-operate with each other in connection with the foregoing.

6.5 Notice and Cure

- (a) Each Party shall give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would be likely to or could:
 - (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect between the date hereof and the Effective Date;
 - (ii) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party prior to the Effective Date; or
 - (iii) result in the failure to satisfy any of the conditions precedent in favour of the other Party contained in Section 6.1, 6.2 or 6.3, as the case may be.
- (b) Sphere may not exercise its right to terminate this Agreement pursuant to Subsection 10.2(d)(i) and Cathedra may not exercise its right to terminate this Agreement pursuant to Subsection 10.2(c)(i) unless the Party seeking to terminate this Agreement shall have delivered a written notice to the other Parties specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered, providing that a Party is diligently proceeding to cure such matter and such matter is reasonably capable of being cured, no Party may exercise such termination right until the earlier of (i) the Outside Date and (ii) the date that is fifteen (15) Business Days following receipt of such notice by the Party to whom the notice was delivered, if such matter has not been cured by such date. If such notice has been delivered prior to the making of the application for the Final Order, such application shall, unless the Parties agree otherwise, be postponed or adjourned until the expiry of such period.

6.6 Merger of Conditions

The conditions in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released at the Effective Time as contemplated herein.

ARTICLE 7
NON-SOLICITATION, RIGHT TO MATCH AND TERMINATION FEE

7.1 Non-Solicitation

- (a) Except as expressly provided in this Article 7, each Party agrees that, from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, it shall not, directly or indirectly, through any Representative, or otherwise, and shall not permit any such Representative to:
 - (i) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any information, permitting any visit to any facilities or properties of the Party or any of its Subsidiaries, or entering into any form of written or oral agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal or potential Acquisition Proposal;
 - (ii) enter into or otherwise engage or participate in any discussions or negotiations with any person (other than the other Party and its affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal or potential Acquisition Proposal;
 - (iii) make a Change in Recommendation; or
 - (iv) accept, approve, endorse or recommend, or propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than two (2) Business Days following the formal announcement of such Acquisition Proposal shall not be considered to be in violation of this Section 7.1 provided the Party's Board has rejected such Acquisition Proposal and affirmed its recommendation in favour of the Arrangement before the end of such two (2) Business Day period).
- (b) Each Party shall, and shall cause its Subsidiaries and its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiation, or other activity commenced prior to the date of this Agreement with any person (other than the Parties and their affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal or potential Acquisition Proposal, and in connection therewith shall:
 - (i) discontinue access to and disclosure of all information, including any data room and any non-public or confidential information, properties, facilities, books and records of the Party or any Subsidiary of the Party; and
 - (ii) request, and exercise all rights it has to require: (A) the return or destruction of copies of any information regarding the Party or any Subsidiary of the Party provided to any person other than the other Party, and (B) the destruction of all material including or incorporating or otherwise reflecting such information regarding the Party or any Subsidiary of the Party, using all

necessary efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

- (c) Each Party represents and warrants that it has not waived any confidentiality, standstill or similar agreement or restriction to which the Party or any of its Subsidiaries is a party, except to permit submissions of expressions of interest prior to the date of this Agreement, and further covenants and agrees: (i) that the Party shall take all necessary action to enforce each confidentiality, standstill or similar agreement or restriction to which the Party or any of its Subsidiaries is a party, and (ii) that neither the Party nor any of its Subsidiaries or any of their respective Representatives have or will, without the prior written consent of the other Party (which may be withheld or delayed in the other Party's sole and absolute discretion), release any person from, or waive, amend, suspend or otherwise modify such person's obligations respecting the Party or any of its Subsidiaries under any confidentiality, standstill or similar agreement or restriction to which the Party or any of its Subsidiaries is a party.
- (d) Notwithstanding Subsection 7.1(a) hereof and any other provision of this Agreement, if at any time following the date of this Agreement and prior to obtaining the approval of such Party's shareholders at the Cathedra Meeting or Sphere Meeting, as applicable, a Party that receives a request for material non-public information, or to enter into discussions, from a person that proposes to such Party an unsolicited bona fide written Acquisition Proposal that did not result from a breach of this Article 7 and that its Board determines in good faith after consultation with its financial advisors and outside legal counsel that such Acquisition Proposal constitutes or would reasonably be expected to constitute a Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be, then such Party may: (i) provide the person making such Acquisition Proposal with access to material non-public information regarding such Party and its Subsidiaries; and/or (ii) enter into, participate, facilitate and maintain discussions or negotiations with, and otherwise cooperate with or assist, the person making such Acquisition Proposal, provided that such Party shall not, and shall not allow any of its Subsidiaries or Representatives to disclose any non-public information with respect to such person without having (A) entered into a confidentiality and standstill agreement on substantially the same terms as the other Party's Confidentiality Agreement, including a standstill provision at least as stringent as contained in the Confidentiality Agreement, and provided a copy of such confidentiality and standstill agreement promptly upon execution to the other Party; and (B) provided to the other Party a list of and access to the information made or to be made available to such person. Any such confidentiality and standstill agreement may not include any provision calling for an exclusive right to negotiate with such Party and may not restrict such Party or any of its Subsidiaries from complying with Article 7.
- (e) If a Party or any of its Subsidiaries or any of their respective Representatives, receives or otherwise become aware of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, or any request for copies of, access to, or disclosure of, information relating to the Party or any of its Subsidiaries, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of the Party or any of its Subsidiaries, the Party shall promptly (and in any event within 24 hours) notify the other Party, at first orally and then in writing, of such Acquisition Proposal, inquiry,

proposal, offer or request, including a description of its material terms and conditions; the identity of all persons making the Acquisition Proposal, inquiry, proposal, offer or request; copies of all documents, correspondence or other material received in respect of, from or on behalf of any such person; and any other information which the other Party may reasonably request. The Party shall keep the other Party promptly and fully informed of the status of developments and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request.

- (f) Each Party shall ensure that the Representatives of the Party and its Subsidiaries are aware of the provisions of this Section 7.1 and agree to be bound thereby, and it shall be responsible for any breach of such provisions by any of such persons.
- (g) The Parties agree that nothing in this Section 7.1 will prevent either Party from taking any actions (or from continuing with any activity commenced prior to the date of this Agreement) in the circumstances where a Party has received the other Parties written consent, such consent to be in the sole and unfettered discretion of such Party.

7.2 Superior Proposal and Right to Match

- (a) If a Party receives a Sphere Superior Proposal or Cathedra Superior Proposal prior to the approval of the Arrangement Resolution by the Cathedra Shareholders or the approval of the Sphere Resolution by the Sphere Shareholders, as the case may be, the Party's Board may, subject to compliance with Subsection 10.2(c)(ii) or Subsection 10.2(d)(ii), as applicable, terminate this Agreement in order to enter into a definitive agreement with respect to such Sphere Superior Proposal or Cathedra Superior Proposal, if and only if:
 - (i) the Board of the Party in receipt of the Acquisition Proposal determines, in good faith, that the Acquisition Proposal constitutes a Cathedra Superior Proposal or Sphere Superior Proposal, as the case may be;
 - (ii) the person making the Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be, was not restricted from making such Sphere Superior Proposal or Cathedra Superior Proposal pursuant to an existing standstill or similar restriction;
 - (iii) such Party has been, and continues to be, in compliance with its obligations under this Article 7;
 - (iv) such Party has delivered to the other Party a written notice of the determination of the Party's Board that such Acquisition Proposal constitutes a Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be, and of the intention of the Party's Board to enter into such definitive agreement, together with a written notice from the Party's Board regarding the value and financial terms that the Party's Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Acquisition Proposal (the "**Superior Proposal Notice**");
 - (v) such Party has provided the other Party with a copy of such Acquisition Proposal in accordance with Subsection 7.1(e).

- (vi) at least five (5) Business Days (the “**Matching Period**”) have elapsed from the date that is the later of the date on which the other Party received the Superior Proposal Notice and the date on which the other Party received a copy of such Acquisition Proposal from the Party;
 - (vii) during any Matching Period, the other Party has had the opportunity (but not the obligation), in accordance with Subsection 7.2(b), to offer to amend this Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be; and
 - (viii) such Party has:
 - (A) paid to the other Party the Termination Fee payable under Section 7.3;
 - (B) terminated this Agreement pursuant to Subsections 10.2(c)(ii) or 10.2(d)(ii), as applicable; and
 - (C) entered into a binding agreement, understanding or arrangement with respect to the Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be.
- (b) During the Matching Period, or such longer period as the Party issuing the Superior Proposal Notice may approve in writing for such purpose, the other Party shall have the right, but not the obligation, to offer to amend the terms of this Agreement and the Plan of Arrangement. The Party’s Board shall review any proposal made by the other Party under Subsection 7.2(a)(vii) to amend the terms of this Agreement and the Plan of Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be, ceasing to be a Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be, and shall negotiate in good faith with the other Party to make such amendments to the terms of this Agreement and the Arrangement as would enable the Party to proceed with the transactions contemplated by this Agreement on such amended terms. If the Party’s Board determines that such Acquisition Proposal would cease to be a Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be, the Party shall promptly so advise the other Party and the Parties shall amend this Agreement to reflect such proposal made by the other Party, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing. If the Party’s Board continues to believe, in good faith after consultation with its financial advisors and outside legal counsel, that such Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be, remains a Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be, and therefore rejects the other Party’s amended proposal, the Party may, on termination of this Agreement in accordance with Subsections 10.2(c)(ii) or 10.2(d)(ii), as applicable, and payment of the Termination Fee as required pursuant to Section 7.3, accept, approve, recommend, or enter into an agreement, understanding or arrangement in respect of such Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be.
- (c) Each successive amendment to any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 7.2, and the other Party shall be afforded a new five (5) Business Day Matching Period from the later of the date on

which the other Party received the Superior Proposal Notice and a copy of the Acquisition Proposal from the Party in respect of each such new Acquisition Proposal.

- (d) The Party's Board shall promptly reaffirm its recommendation of the Arrangement by press release after any Acquisition Proposal which is not determined to be a Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be, is publicly announced or the Party's Board determines that a proposed amendment to the terms of this Agreement as contemplated under Subsection 7.2(b) would result in an Acquisition Proposal no longer being a Sphere Superior Proposal or Cathedra Superior Proposal, as the case may be. The Party shall provide the other Party and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and shall make all reasonable amendments to such press release as requested by the other Party and its counsel.
- (e) If the Party provides a Superior Proposal Notice to the other Party after a date that is less than ten (10) Business Days before the Cathedra Meeting or Sphere Meeting, as the case may be, the Party shall either proceed with or shall postpone the Meeting, as directed by the other Party acting reasonably, to a date that is not more than fifteen (15) Business Days after the scheduled date of the Cathedra Meeting or Sphere Meeting, as the case may be.

7.3 Termination Fee

- (a) If:
 - (i) Cathedra shall terminate this Agreement pursuant to Subsection 10.2(c)(ii) in order to enter into a definitive written agreement with respect to a Cathedra Superior Proposal;
 - (ii) Sphere shall terminate this Agreement pursuant to Subsection 10.2(d)(iii) (but not including a termination by Sphere pursuant to Subsection 10.2(d)(iii) in circumstances where the Change in Recommendation resulted from the occurrence of a Material Adverse Effect in respect of Sphere);
 - (iii) either Party shall terminate this Agreement pursuant to Subsection 10.2(b)(i), but only if prior to such Cathedra Meeting, a bona fide Acquisition Proposal, or the intention to make a bona fide Acquisition Proposal with respect to Cathedra, other than an Acquisition proposed permitted by Section 7.1(g), has been publicly announced and not withdrawn and within 12 months of the date of such termination: (A) such Acquisition Proposal is consummated by Cathedra; or (B) Cathedra and/or one or more of its Subsidiaries enters into a definitive agreement in respect of, or the Cathedra Board approves or recommends such Acquisition Proposal and that transaction is consummated at any time thereafter, provided that, for the purposes of this Subsection 7.3(a)(iii), all references to "20%" in the definition of "Acquisition Proposal" shall be deemed to be references to "50%".

then, in any such case, Cathedra shall pay to Sphere by wire transfer the Termination Fee in immediately available funds to an account designated by Sphere, prior to or concurrent with the termination of this Agreement.

- (b) If:

- (i) Sphere shall terminate this Agreement pursuant to Subsection 10.2(d)(ii) in order to enter into a definitive written agreement with respect to a Sphere Superior Proposal;
- (ii) Cathedra shall terminate this Agreement pursuant to Subsection 10.2(c)(iii) (but not including a termination by Cathedra pursuant to Subsection 10.2(c)(iii) in circumstances where the Change in Recommendation resulted from the occurrence of a Material Adverse Effect in respect of Cathedra);
- (iii) either Party shall terminate this Agreement pursuant to Subsection 10.2(b)(ii), but only if prior to such Sphere Meeting, a bona fide Acquisition Proposal, or the intention to make a bona fide Acquisition Proposal with respect to Sphere, other than an Acquisition proposed permitted by Section 7.1(g), has been publicly announced and not withdrawn and within 12 months of the date of such termination: (A) such Acquisition Proposal is consummated by Sphere; or (B) Sphere and/or one or more of its Subsidiaries enters into a definitive agreement in respect of, or the Sphere Board approves or recommends such Acquisition Proposal and that transaction is consummated at any time thereafter, provided that, for the purposes of this Subsection 7.3(b)(iii), all references to "20%" in the definition of "Acquisition Proposal" shall be deemed to be references to "50%".

then, in any such case, Sphere shall pay to Cathedra by wire transfer the Termination Fee in immediately available funds to an account designated by Cathedra, prior to or concurrent with the termination of this Agreement.

- (c) For greater certainty, no Party shall be obligated to make more than one payment pursuant to Subsections 7.3(a) or 7.3(b).
- (d) Each Party acknowledges that the amount set out in this Section 7.3 in respect of the Termination Fee represents liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which the Party shall suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and is not a penalty. Each Party irrevocably waives any respective rights it may have to raise as a defence that any such liquidated damages are excessive or punitive.

ARTICLE 8

INDEMNIFICATION AND INSURANCE

8.1 Indemnification of Directors and Officers

For a period of six (6) years after the Effective Date, Sphere shall: (i) maintain in effect the current or substantially similar provisions regarding indemnification of directors and officers contained in the constating documents of Cathedra (or any successor entity thereto) and any director, officer or employee indemnification agreements of Cathedra; and (ii) indemnify the directors and officers of Cathedra to the fullest extent to which Cathedra is permitted to indemnify such directors and officers under its constating documents and the Act.

8.2 Insurance

In addition to its obligations in Section 8.1, Sphere shall maintain in effect for a period of six (6) years after the Effective Date on a "trailing" or "run-off" basis, Cathedra's current policy or policies or comparable policies of directors' and officers' liability insurance and fiduciary liability insurance

providing coverage to the directors and officers of Sphere with respect to claims arising from facts or events which occurred on or before the Effective Date. Such coverage shall be on the same terms, in all material respects, as the coverage currently provided under policies maintained by Cathedra for the protection of directors and officers.

8.3 Beneficiaries

This Article 8 shall survive the consummation of the Arrangement and is intended to be for the benefit of, and shall be enforceable by, the persons described above and their respective heirs, executors, administrators and personal representatives and shall be binding on Cathedra and its successors and assigns, and, for such purpose, Cathedra hereby confirms that it is acting as agent and trustee on behalf of the persons described above and Sphere acknowledges that this provision shall enure to the benefit of any successor corporation of Cathedra, including by way of wind-up or dissolution.

ARTICLE 9 AMENDMENT AND WAIVER

9.1 Amendment

Subject to the provisions of the Interim Order, the Plan of Arrangement and Applicable Laws, this Agreement may, at any time, and from time to time before and after the holding of the Cathedra Meeting and the Sphere Meeting but not later than the Effective Date, be amended by written agreement of the Parties without further notice to or authorization on the part of the Cathedra Shareholders or Sphere Shareholders, and any such amendment may without limitation:

- (a) change the time for performance of any of the obligations or acts of any of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any documents to be delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants or conditions herein contained or waive or modify performance of any of the obligations of any of the Parties hereto;
- (d) waive compliance with or modify any mutual conditions precedent set out herein; and
- (e) complete or modify any Schedule of this Agreement, whether or not it is in substantially the form attached hereto.

9.2 Waiver

- (a) At any time prior to the Effective Date, any Party may:
 - (i) extend the time for the performance of any of the obligations or other acts of the other Party; or
 - (ii) waive compliance with any of the covenants or agreements of the other Party or with any conditions to its own obligations, but in each case only to the extent such obligations, agreements and conditions are intended for its benefit.
- (b) No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision (whether or not similar). No waiver shall be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement shall not operate as a waiver of that right. A single or partial exercise of any right shall not preclude a Party from any other or further exercise of that right or the exercise of any other right under this Agreement.

ARTICLE 10 TERMINATION

10.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Date and the termination of this Agreement in accordance with its terms.

10.2 Termination

This Agreement may be terminated at any time prior to the Effective Time:

- (a) by mutual written consent of Sphere and Cathedra;
- (b) by either Sphere or Cathedra upon notice to the other Party if:
 - (i) the Arrangement Resolution shall not have been approved or adopted by the Cathedra Shareholders at the Cathedra Meeting in accordance with the Interim Order;
 - (ii) the Sphere Resolution shall not have been approved or adopted by the Sphere Shareholders at the Sphere Meeting;
 - (iii) after the date hereof, any final and non-appealable Applicable Law shall be effected by a Governmental Authority of competent jurisdiction that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins any of the Parties from consummating the Arrangement;
 - (iv) the Effective Date does not occur on or prior to the Outside Date, provided that the failure of the Effective Date to so occur is not due to the failure of the Party seeking to terminate this Agreement to perform or observe the covenants and agreements of such Party set forth herein; or
 - (v) either party (but solely to the extent such determination is permissible and within the discretion of such party pursuant to Section 6.1(h)), in its discretion, acting reasonably and in good faith, believes that the mutual condition in Section 6.1(h) has not been satisfied.
- (c) by Cathedra:
 - (i) subject to Section 6.5, if (A) Sphere has not complied in all material respects with its covenants or obligations under this Agreement; or (B) any representation or warranty of Sphere set out in this Agreement shall have been at the date hereof untrue or incorrect or shall have become untrue or incorrect in a material respect at any time prior to the Effective Time (except for those expressly stated to speak at or as of any earlier time), in each case, that would cause one or more conditions set forth in Sections 6.1 or 6.3 not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date;
 - (ii) in order to enter into a binding written definitive agreement with respect to a Cathedra Superior Proposal in compliance with Sections 7.1 and 7.2, provided that Cathedra has paid the Termination Fee to Sphere; or
 - (iii) if prior to the Effective Time: (a) the Sphere Board shall have made a Change in Recommendation; (B) Sphere shall have accepted or entered into or publicly proposes to accept or enter into (other than a confidentiality and standstill agreement permitted by Section 7.1) a legally binding written

agreement, arrangement or understanding with respect to an Acquisition Proposal; or (C) Sphere breaches Article 7 in any material respect.

(d) by Sphere:

- (i) subject to Section 6.5, if (A) Cathedra has not complied in all material respects with its covenants or obligations under this Agreement; or (B) any representation or warranty of Cathedra set out in this Agreement shall have been at the date hereof untrue or incorrect or shall have become untrue or incorrect in a material respect at any time prior to the Effective Time (except for those expressly stated to speak at or as of any earlier time), in each case, that would cause one or more conditions set forth in Sections 6.1 or 6.2 not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date;
- (ii) in order to enter into a binding written definitive agreement with respect to a Sphere Superior Proposal in compliance with Sections 7.1 and 7.2, provided that Sphere has paid the Termination Fee to Cathedra; or
- (iii) if prior to the Effective Time: (a) the Cathedra Board shall have made a Change in Recommendation; (B) Cathedra shall have accepted or entered into or publicly proposes to accept or enter into (other than a confidentiality and standstill agreement permitted by Section 7.1) a legally binding written agreement, arrangement or understanding with respect to an Acquisition Proposal; or (C) Cathedra breaches Article 7 in any material respect.

10.3 Effect of Termination

If the termination rights are exercised in accordance with Section 10.1, written notice thereof shall be given to the other Party, specifying the provisions hereof pursuant to which such termination is made and except as set out in this Section 10.3, Sections 7.3, 10.1, and Article 11, which provisions shall survive the termination of this Agreement, no Party shall have any further liability to perform its obligations under this Agreement. Each Party hereby agrees that, upon any termination of this Agreement under circumstances where such Party is entitled to the Termination Fee and such Termination Fee is paid in full to the Party, the Party shall be precluded from any other remedy against the other Party, at law or in equity or otherwise, and the Party shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the other Party or any of its Subsidiaries, or any of their respective directors, officers, employees, partners, managers, members, shareholders or affiliates in connection with this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, no termination of this Agreement and nothing in this Section 10.3 shall relieve any Party to this Agreement of liability for willful or intentional breach or any liability arising prior to such termination.

10.4 Remedies

Subject to Section 10.3, the Parties acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any Party or its Representatives and any such breach would cause the non-breaching Party irreparable harm. Accordingly, the Parties agree that prior to the termination of this Agreement pursuant to Section 10.2, in the event of any breach or threatened breach of this Agreement by one of the Parties, the non-breaching Party will be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to each of the Parties.

ARTICLE 11 GENERAL

11.1 Access to Information and Confidentiality

From the date hereof until the earlier of the Effective Time and the termination of this Agreement, subject to compliance with Applicable Law and the terms of any existing contracts, Each Party shall, and shall cause its Subsidiaries and their respective Representatives to, afford to the other Parties and to the Representatives of such other Party such access as such other Party may reasonably require at all reasonable times, including for the purpose of facilitating integration business planning, to their officers, employees, agents, properties, books, records and contracts, and shall furnish such other Party with all data and information as such other Party may reasonably request. Sphere and Cathedra acknowledge and agree that information furnished pursuant to this Section 11.1 shall be subject to the terms and conditions of the Confidentiality Agreement.

11.2 Expenses

Except as otherwise provided in this Agreement, the Parties agree that all out-of-pocket third-party transaction expenses of the Arrangement, including legal fees, financial advisor fees, regulatory filing fees, all disbursements by advisors and printing and mailing costs, will be paid by the Party incurring such expense.

11.3 Notice

- (a) Any notice, direction or other instrument required or permitted to be given hereunder will be in writing and may be given by delivering the same or sending the same by email transmission addressed as follows:

if to Sphere or Amalco Sub:

Sphere 3D Corp.
243 Tresser Blvd., 17th Floor
Stamford, CT 06901
United States of America

Email: [REDACTED]
Attention: Kurt Kalbfleisch

with a copy to (which shall not constitute notice):

Meretsky Law Firm
121 King Street West, Suite 2150
Toronto, ON M5H 3T9
Canada

Email: [REDACTED]
Attention: Jason D. Meretsky

- and -

Pryor Cashman LLP
7 Times Square, 40th Floor
New York, NY 10036-6569
United States of America

Email: [REDACTED]; [REDACTED]
Attention: M. Ali Panjwani and Eric Wisotsky

if to Cathedra:

Cathedra Bitcoin Inc.
422 Richards Street, Unit 170
Vancouver, BC V6B 2Z4
Canada

Email: [REDACTED]
Attention: Joel Block

with a copy to (which shall not constitute notice):

DuMoulin Black LLP
10th Floor, 595 Howe Street
Vancouver, BC, V6C 2T5

Email: [REDACTED]
Attention: Justin G. Kates

- and -

Greenberg Traurig, LLP
333 SE 2nd Avenue
Miami, FL 33131
United States of America

Email: [REDACTED]; [REDACTED]
Attention: Daniella Genet Silbrerstein and Sami Ghneim

- (b) Any such notice, direction or other instrument, whether delivered or transmitted by email transmission, will be deemed to have been given at the time and on the date on which it was delivered to or received in the office of the addressee, as the case may be, if delivered or transmitted prior to 4:30 p.m. (local time) on a Business Day or at 9:00 a.m. (local time) on the subsequent Business Day if delivered or transmitted subsequent to such time.
- (c) Either Party hereto may change its address for service from time to time by notice given to the other Party hereto in accordance with this Section 11.3.
- (d) Any notice, direction or other instrument delivered under this Agreement will be signed by one or more duly authorized officers of the Party delivering it.
- (e) The delivery of any notice, direction or other instrument, or a copy thereof, to a Party hereunder will be deemed to constitute the representation and warranty of the Party who has delivered it to the other Party that such delivering Party is authorized to deliver such notice, direction or other instrument at such time under this Agreement (unless the receiving Party has actual knowledge to the contrary) and the receiving Party will not be required to make any inquiry to confirm such authority.

11.4 Public Announcement

No Party shall make any press release, public announcement or public statement regarding the Arrangement or the other transactions contemplated herein which has not been previously reviewed and commented on by the other Party, except that any Party may issue a press release or make a filing with a regulatory authority if counsel for such Party advises that such press release or

filing is necessary in order to comply with Applicable Laws or the rules and policies of any stock exchange, in which case such Party shall first make a reasonable effort to obtain the approval of the other Party and provided further that nothing herein shall restrict either Party from including in any press release, material change report, continuous disclosure document or other document required to be prepared, sent, delivered, distributed, disseminated or filed, any statement regarding this Agreement, the Arrangement or the other transactions contemplated herein previously approved by the other Party or previously disclosed as permitted pursuant to this section. In addition, each Party shall consult with the other Party regarding, and provide the other Party a draft of, any press release, public announcement or public statement regarding the business, operations, results of operations, properties, assets, liabilities or financial condition of the respective Party or its Subsidiaries, and shall not issue any press release, public announcement or public statement inconsistent with the results of such consultation, and shall consider in good faith any comments or revisions requested by the other Party, provided that a Party may issue any such press release or make such a filing with a regulatory authority if its counsel advises that such press release or filing is necessary to comply with Applicable Laws or the rules and policies of any stock exchange, in which case such Party shall first make a reasonable effort to enable the other Party to review and comment on any such press release or filing and to obtain the approval of the other Party and shall consider in good faith any comments or revisions requested by the other Party.

11.5 Time of Essence

Time is of the essence of this Agreement.

11.6 Enurement

This Agreement will be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

11.7 Entire Agreement

This Agreement, together with the Confidentiality Agreement, constitutes the entire agreement and understanding between the Parties with respect to the Arrangement and other transactions contemplated hereby and supersede all other prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties except as expressly set forth in this Agreement and the Confidentiality Agreement.

11.8 Governing Law

- (a) This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (b) Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under or in relation to this Agreement and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

11.9 Prohibition Against Assignment

None of the Parties hereto may assign its rights or obligations under this Agreement without the prior written consent of the other Party.

11.10 Third Party Beneficiaries

Except as provided in Article 8 (which is intended to be for the benefit of the persons covered thereby and may be enforced by such persons at any time), each Party hereto intends that this

Agreement will not benefit or create any right or give rise to any action on behalf of any person other than the Parties hereto, and no person other than the Parties hereto will be entitled to rely on the provisions hereof.

11.11 Further Assurances

Each Party shall, from time to time, and at all times hereafter at the reasonable request of the other Party, but without further consideration, do all such other acts and execute and deliver all such further documents and instruments as shall reasonably be required in order to fully perform and carry out the terms and intent hereof, including the Plan of Arrangement.

11.12 Counterpart Executions and Electronic Transmissions

This Agreement may be executed in counterparts, each of which when delivered (whether in originally executed form or by facsimile or other electronic transmission) will be deemed to be an original and all of which together will constitute one and the same document.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

SPHERE 3D CORP.

"Kurt Kalbfleisch"

By: _____
Name: Kurt Kalbfleisch
Title: Chief Executive Officer

S3D ACQUISITION CORP.

"Kurt Kalbfleisch"

By: _____
Name: Kurt Kalbfleisch
Title: Chief Executive Officer

CATHEDRA BITCOIN INC.

"Joel Block"

By: _____
Name: Joel Block
Title: Chief Executive Officer

SCHEDULE "A"

PLAN OF ARRANGEMENT UNDER THE PROVISIONS OF DIVISION 5 OF PART 9 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

ARTICLE 1 INTERPRETATION

1.1 Definition

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below, and grammatical variations of such terms shall have corresponding meanings:

"Accelerated Cathedra RSUs" means the outstanding Cathedra RSUs that will fully vest immediately prior to the Effective Time in accordance with their terms;

"Act" means the *Business Corporations Act* (British Columbia) as now in effect and as it may be amended from time to time prior to the Effective Date;

"Amalco" has the meaning given to it in Section 3.1(d);

"Amalco Share" means the common shares without par value in the capital of Amalco;

"Amalco Sub" means S3D Acquisition Corp.;

"Amalgamation" has the meaning given to it in Section 3.1(d);

"Amalgamation Application" means the Form 13 amalgamation application as contemplated in Section 275 of the Act in substantially the form attached as Appendix I to this Plan of Arrangement;

"Arrangement" means an arrangement under section 288 of the Act, on the terms set forth in this Plan of Arrangement, subject to any amendment or supplement thereto in accordance with the Arrangement Agreement and this Plan of Arrangement or made at the direction of the Court in the Final Order;

"Arrangement Agreement" means the arrangement agreement dated March 5, 2026 between Sphere, Cathedra and Amalco Sub, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

"Arrangement Resolution" means the special resolution of each class of the Cathedra Shareholders approving this Plan of Arrangement to be considered by the Cathedra Shareholders at the Cathedra Meeting, substantially in the form set out in Schedule "B" to the Arrangement Agreement;

"Business Day" means a day which is not a Saturday, Sunday or a civic or statutory holiday in the Provinces of British Columbia and Ontario or in the State of New York on which banks are open for business in the Cities of Vancouver, Toronto and New York;

"Cathedra" means Cathedra Bitcoin Inc., a corporation existing under the laws of the Province of British Columbia;

"Cathedra Board" means the board of directors of Cathedra;

"Cathedra Circular" means the notice of the Cathedra Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Cathedra Shareholders in connection with the Cathedra Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement;

“Cathedra Disclosure Letter” means the disclosure letter dated March 5, 2026 executed by Cathedra and delivered to Sphere;

“Cathedra Locked-up Shareholders” means each of the directors and senior officers of Cathedra and other person that signs a Cathedra Support Agreement;

“Cathedra LTIP” means Cathedra’s long term incentive plan as approved by the Cathedra Board on June 18, 2024;

“Cathedra Meeting” means the annual general and special meeting of the Cathedra Shareholders, including any adjournment or adjournments thereof, to be held pursuant to the Interim Order for the purpose of considering and, if thought fit, approving the Arrangement Resolution and for any other purpose as may be set out in the Cathedra Circular;

“Cathedra MV Shares” means multiple voting shares in the authorized capital of Cathedra;

“Cathedra Optionholders” means the holders from time to time of Cathedra Options;

“Cathedra Options” means options to acquire Cathedra SV Shares granted under the Cathedra LTIP;

“Cathedra RSUholders” means the holders from time to time of Cathedra RSUs, other than holders from time to time of the Accelerated Cathedra RSUs;

“Cathedra RSUs” means restricted share units to acquire Cathedra SV Shares granted under the Cathedra LTIP;

“Cathedra Shareholders” means the holders from time to time of Cathedra Shares;

“Cathedra Shares” means the Cathedra SV Shares and the Cathedra MV Shares;

“Cathedra Support Agreements” means the voting support agreements dated as of the date hereof in the form provided to Cathedra and duly executed by Cathedra, Sphere and each of the Cathedra Locked-up Shareholders;

“Cathedra SV Shares” means subordinate voting shares in the authorized capital of Cathedra;

“Cathedra Warrantholders” means the holders from time to time of Cathedra Warrants;

“Cathedra Warrants” means warrants to acquire Cathedra SV Shares;

“Certificate of Amalgamation” means the certificate to be issued by the Registrar pursuant to Section 281(a) of the Act giving effect to the Amalgamation;

“Consideration Shares” means the Sphere Common Shares and the Sphere Series I Shares to be issued in exchange for Cathedra Shares and Accelerated Cathedra RSUs pursuant to the Arrangement;

“Court” means the Supreme Court of British Columbia;

“Depositary” means any trust company, bank or financial institution agreed to in writing between Sphere and Cathedra for the purpose of, among other things, exchanging certificates representing Cathedra Shares for certificates representing Consideration Shares in connection with the Arrangement;

“Dissent Procedures” has the meaning set out in Section 4.1;

“Dissent Rights” has the meaning set out in Section 4.1;

“Dissenting Shareholder” means a Cathedra Shareholder who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures;

“DRS Advice” has the meaning set out in Section 5.1(b).

"Effective Date" means the date agreed to by Sphere and Cathedra in writing as the effective date of the Arrangement, which date shall be no later than the fifth (5th) Business Day after the satisfaction or, where not prohibited, the waiver (subject to Applicable Law) of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver of those conditions as of the Effective Date) set forth in Article 6 of the Arrangement Agreement, unless another date is agreed to in writing by Cathedra, Sphere and Amalco Sub;

"Effective Time" means the time on the Effective Date when the Arrangement will be deemed to be completed as may be agreed to by the Parties and as denoted on the filings with the Registrar, to the extent that such filings are required;

"Encumbrance" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, adverse rights or claims, other third-party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"Existing Cathedra Directors and Officers" means those persons who are directors or officers of Cathedra immediately prior to the Effective Time;

"Final Order" means the final order of the Court in a form acceptable to Sphere and Cathedra, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both Sphere and Cathedra, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

"Governmental Authority" means any (a) multinational, federal, provincial, state, county, regional, municipal, local or other government, governmental or public department or ministry, central bank, court, tribunal, arbitral body, commission, commissioner, stock exchange, board, official, minister, bureau or agency, whether domestic or foreign; (b) subdivision, agent or representative of any of the foregoing; or (c) quasi-governmental or private body exercising any administrative, regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"Interim Order" means the interim order of the Court providing for, among other things, the calling and holding of the Cathedra Meeting, as the same may be amended, supplemented or varied (with the consent of Sphere and Cathedra, each acting reasonably);

"Internal Revenue Code" means the United States *Internal Revenue Code of 1986*, and the regulations promulgated thereunder, as now in effect and as they may be promulgated or amended from time to time;

"Key Holders" means Joel Block, Thomas Masiero and Jialin "Gavin" Qu;

"Law" or "Laws" means all:

- (a) laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies or guidelines of any Governmental Authority;
- (b) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, decrees or awards, including general principles of common and civil law; and
- (c) terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority,

domestic or foreign, and the term "**Applicable**" with respect to such Laws and in a context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property, assets or securities and emanate from a Governmental Authority having jurisdiction over the person or persons or its or their business, undertaking, property, assets or securities;

"**Letter of Transmittal**" means the letter of transmittal delivered to Cathedra Shareholders for use in connection with the Arrangement;

"**MVS Exchange Ratio**" means 12.3014:1, representing 12.3014 Sphere Common Shares for each Cathedra MV Share;

"**Plan of Arrangement**" means this Plan of Arrangement, as from time to time amended, supplemented or restated in accordance with Article 6 hereof, the Arrangement Agreement or at the direction of the Court in the Final Order with the consent of Sphere, Cathedra and Amalco Sub, each acting reasonably;

"**Registrar**" means the "registrar" as defined in the Act;

"**Regulation S**" means Regulation S promulgated under the U.S. Securities Act;

"**Replacement Option**" has the meaning set out in Section 3.1(g)(ii);

"**Replacement RSU**" has the meaning set out in Section 3.1(g)(iii);

"**Replacement Warrant**" has the meaning set out in Section 3.1(g)(i);

"**Sphere**" means Sphere 3D Corp., a corporation existing under the laws of the Province of Ontario;

"**Sphere Common Shares**" means the common shares in the capital of Sphere;

"**Sphere Options**" means options granted to acquire Sphere Common Shares;

"**Sphere PIP**" means Sphere's 2025 Performance Incentive Plan as approved by the Sphere Shareholders on May 29, 2025;

"**Sphere Preferred Shares**" means the Sphere Series H Shares and once created, the Series I Preferred Shares in the authorized capital of Sphere;

"**Sphere RSUs**" means restricted share units to acquire Sphere Common Shares granted under the Sphere PIP;

"**Sphere Series I Shares**" means the shares of Sphere to be created pursuant to Section 3.1 of the Plan of Arrangement and to be designated as Series I Preferred Shares;

"**Subco Shares**" means the common shares without par value in the capital of Amalco Sub;

"**SVS Exchange Ratio**" means 0.123014:1, representing 0.123014 Sphere Common Shares for each Cathedra SV Share;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**United States**" means the United States as that term is defined in Regulation S;

"**U.S. Person**" means a U.S. Person as that term is defined in Regulation S; and

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

1.2 Other Defined Terms

Any capitalized terms used in the Plan of Arrangement and not otherwise defined herein shall have the meanings ascribed thereto in the Arrangement Agreement.

1.3 Headings

The section and article headings in this Plan have been inserted for convenience of reference only and shall not be construed to affect the meaning, construction or effect of this Plan.

1.4 Interpretation

Words importing the singular number only shall include the plural and vice versa. Words importing gender shall include all genders. Where the word "**including**" or "**includes**" is used in this Plan it means "**including without limitation**" or "**includes without limitation**", respectively.

The words "**herein**", "**hereof**", "**hereby**", "**hereunder**" and similar expressions refer to this Plan and include every instrument supplemental or ancillary to or in implementation of this Plan and, except where the context otherwise requires, not to any particular article, section or other portion hereof or thereof. Any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under such document.

1.5 Currency

UNLESS OTHERWISE STATED, ALL REFERENCES IN THIS PLAN OF ARRANGEMENT TO SUMS OF MONEY ARE EXPRESSED IN LAWFUL MONEY OF CANADA, AND "\$" REFERS TO CANADIAN DOLLARS. ALL REFERENCES IN THIS AGREEMENT TO SUMS OF MONEY EXPRESSED IN LAWFUL MONEY OF THE UNITED STATES REFERS TO "US\$".

1.6 Calculation of Days

Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following, if the last day of the period is not a Business Day.

In the event that any day on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.7 Governing Law

The provisions of this Plan shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.8 Statutory References

A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.

1.9 Time

Time is of the essence in the performance of the parties' respective obligations.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant and subject to the provisions of, and forms part of, the Arrangement Agreement.

2.2 Arrangement

While this Plan of Arrangement (a) constitutes an arrangement as referred to in Section 288 of the Act and (b) is intended to be a "plan of reorganization" within the meaning of Section 368 of the Internal Revenue Code, it is expected that any gain will be required to be recognized as a result of the application of Section 367 of the Internal Revenue Code. This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on (i) Cathedra, (ii) Sphere, (iii) Amalco Sub, (iv) Amalco (upon and following the Amalgamation), (v) all holders and all beneficial owners of Cathedra Shares, including the Dissenting Shareholders (vi) all holders and all beneficial owners of Cathedra Options, Cathedra Warrants and Cathedra RSUs, and (vii) the Depositary.

2.3 Conclusive Evidence

The issuance of the Certificate of Amalgamation will be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence set out therein.

ARTICLE 3 ARRANGEMENT

3.1 Steps

- (a) Prior to the Effective Time, Sphere shall have filed articles of amendment to create the Sphere Series I Shares and to provide for the special rights and restrictions attaching to the Sphere Series I Shares set out in Appendix III to Schedule A of this Plan of Arrangement;
- (b) Commencing at the Effective Time and provided that the terms and conditions of the Arrangement Agreement have been met or waived, the following events or transactions will occur sequentially unless otherwise noted and will be deemed to occur without any further act or formality required on the part of any person, except as expressly provided herein:
- (c) at the Effective Time:
 - (i) each Cathedra Share held by a Dissenting Shareholder who is ultimately determined to be entitled to be paid the fair value of the Cathedra Shares in respect of which such Dissenting Shareholder has exercised Dissent Rights will be, and will be deemed to be, transferred by the holder thereof, without any further act or formality on its part, to Cathedra (free and clear of all Encumbrances) and such Dissenting Shareholder will cease to be the holder thereof or have any rights as a holder in respect of such Dissenting Share other than the right to be paid the fair value of such Dissenting Share determined and payable in accordance with Article 4 hereof; and

- (ii) the name of each Dissenting Shareholder will be removed from the register of the Cathedra Shares and such Dissenting Shares will be automatically cancelled as of the Effective Time;
- (d) immediately after the steps in Section 3.1(c) occur, Cathedra and Amalco Sub will amalgamate (the "**Amalgamation**") pursuant to the provisions of Division 3 of Part 9 of the Act and their continuation as one corporation ("**Amalco**") will become irrevocable, which corporation will be a wholly-owned subsidiary of Sphere, with the effect that:
 - (i) except as set out in this Plan of Arrangement, the property of each of Cathedra and Amalco Sub will continue to be the property of Amalco, and, without limiting the provisions hereof, all rights of creditors or others will be unimpaired by such amalgamation, and all obligations of Cathedra and Amalco Sub whether arising by contract or otherwise, may be enforced against Amalco to the same extent as if such obligations had been incurred or contracted by it;
 - (ii) Amalco will continue to be liable for the obligations of each of Cathedra and Amalco Sub;
 - (iii) all rights, contracts, permits and interests of each of Cathedra and Amalco Sub will continue as rights, contracts, permits and interests of Amalco and, for greater certainty, the Amalgamation will not constitute a transfer or assignment of the rights or obligations of either of Cathedra and Amalco Sub under any such rights, contracts, permits and interests;
 - (iv) any existing cause of action, claim or liability to prosecution with respect to either or both of Cathedra and Amalco Sub will be unaffected;
 - (v) any civil, criminal or administrative action or proceeding pending by or against any of Cathedra and Amalco Sub may be continued to be prosecuted by or against Amalco;
 - (vi) any conviction against, or ruling, order or judgment in favour of or against, any of Cathedra and Amalco Sub may be enforced by or against Amalco;
 - (vii) the notice of articles generated upon filing the Amalgamation Application will be the Notice of Articles of Amalco and the Certificate of Amalgamation will evidence recognition of the corporate existence of Amalco; and
 - (viii) the articles of Amalco will be in substantially the form attached as Appendix II to Schedule A of this Plan of Arrangement;
- (e) at the same time as the steps in Section 3.1(d) occur:
 - (i) each registered holder of Cathedra Shares will exchange their Cathedra Shares for Consideration Shares, and in respect of which Cathedra Shares:
 - (A) subject to Section 3.1(f), each registered holder of Cathedra SV Shares (other than the Dissenting Shareholders) will receive that number of

fully paid and non-assessable Sphere Common Shares equal to the product determined by multiplying the number of Cathedra SV Shares held by such holder by the SVS Exchange Ratio;

- (B) subject to Section 3.1(f), each registered holder of Cathedra MV Shares (other than the Dissenting Shareholders) will receive that number of fully paid and non-assessable Sphere Common Shares equal to the product determined by multiplying the number of Cathedra MV Shares held by such holder by the MVS Exchange Ratio;
 - (C) the registered holder of such Cathedra Shares will cease to be the holder of such Cathedra Shares and will be deemed to be the registered holder of the Consideration Shares to which they are entitled;
 - (D) all such Cathedra Shares will be cancelled and the registered holder's name will be removed from the securities register of Cathedra with respect to such Cathedra Shares; and
 - (E) the registered holder of such Cathedra Shares will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such transfer;
- (ii) Sphere will receive one (1) fully paid and non-assessable Amalco Share for each one (1) Subco Share held by Sphere, following which all such Subco Shares will be cancelled;
 - (iii) Sphere will add an amount to the paid-up capital account maintained in respect of the Sphere Common Shares equal to the aggregate paid-up capital for income tax purposes of the Cathedra Shares immediately prior to the Effective Time (less the paid-up capital of any Cathedra Shares held by Dissenting Shareholders who do not exchange their Cathedra Shares for Consideration Shares pursuant to the Arrangement); and
 - (iv) Amalco will add an amount to the paid-up capital account maintained in respect of the Amalco Shares such that the paid-up capital of the Amalco Shares will be equal to the aggregate paid-up capital for income tax purposes of the Subco Shares immediately prior to the Effective Time;
- (f) Notwithstanding anything to the contrary in this Plan of Arrangement or the Agreement, the Parties agree that, to the extent that, as of immediately following the Effective Time, the aggregate number of Sphere Common Shares that would otherwise be issuable to any of the Key Holders, or any entity controlled or directed by such Key Holder, pursuant to the Arrangement would result in such Key Holder beneficially owning, together with such Key Holder's affiliates and any persons acting jointly or in concert with such Key Holder, more than seven percent (7%) of the then-outstanding Sphere Common Shares calculated on a non-diluted basis (the "**Ownership Cap**"), such Key Holder shall instead receive, in lieu of the number of Sphere Common Shares in excess of the Ownership Cap, an equivalent number of Sphere Series I Shares. For greater certainty, the portion of the consideration up to

the Ownership Cap shall be satisfied in Sphere Common Shares and only the portion exceeding the Ownership Cap shall be satisfied in Sphere Series I Shares, and such issuance shall be effected as part of the issuance of the Consideration Shares under the Arrangement. For purposes of determining compliance with the Ownership Cap, the number of “then-outstanding” Sphere Common Shares shall be calculated on a non-diluted basis immediately following the Effective Time after giving effect to the issuance of Consideration Shares pursuant to the Arrangement. Any calculation mechanics necessary to implement the foregoing, including rounding and withholding, shall be applied in a manner consistent with the Plan of Arrangement, including Section 3.2 (No Fractional Shares) and Article 5 (Delivery of Consideration), *mutatis mutandis*.

- (g) at the same time as the steps in Section 3.1(d) occur:
- (i) each Cathedra Warrant outstanding immediately prior to the Effective Time, shall be exchanged for a warrant issued by Sphere (a “**Replacement Warrant**”) to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of Cathedra SV Shares issuable upon the exercise of such Cathedra Warrant immediately prior to the Effective Time multiplied by (B) the SVS Exchange Ratio. The exercise price per Sphere Common Share subject to any such Replacement Warrant shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (A) the exercise price per Cathedra SV Share issuable upon exercise of such Cathedra Warrant immediately before the Effective Time divided by (B) the SVS Exchange Ratio. No Replacement Warrant may be exercised in the United States or by or on behalf of a U.S. Person unless an exemption from registration under the U.S. Securities Act and applicable state securities laws is available;
 - (ii) each Cathedra Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for an option issued by Sphere (a “**Replacement Option**”) under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of Cathedra SV Shares subject to such Cathedra Option immediately prior to the Effective Time multiplied by (B) the SVS Exchange Ratio. The exercise price per Sphere Common Share subject to any such Replacement Option shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (A) the exercise price per Cathedra SV Share subject to such Cathedra Option immediately before the Effective Time divided by (B) the SVS Exchange Ratio. Notwithstanding the foregoing, if required, the exercise price of each Replacement Option will be increased such that (A) the excess (if any) of the aggregate fair market value of the Sphere Common Shares issuable under the Replacement Option immediately following the exchange over (B) the aggregate exercise price of such Replacement Option otherwise determined does not exceed (C) the excess (if any) of the aggregate fair market value of the Cathedra SV Shares issuable under the corresponding Cathedra Option immediately before the exchange over (D) the aggregate exercise price of such Cathedra Option, such that the exchange complies with the requirements of paragraph 7(1.4)(c) of the Tax Act and section 1.409A-1(b)(5)(v)(D) of the

treasury regulations promulgated under the Internal Revenue Code, and any such adjustment will be made *nunc pro tunc*. All terms and conditions of the Replacement Options (other than the term to expiry), including the terms, conditions and manner of exercising shall be governed by the equity incentive plan of Sphere, subject to that any change in such terms, conditions and manner of exercising, shall not be, in the aggregate and viewed as a whole, economically prejudicial to the holders of such Cathedra Options, and any document evidencing a Cathedra Option shall thereafter evidence and be deemed to evidence such Replacement Option;

- (iii) each unvested Cathedra RSU, other than an Accelerated Cathedra RSU, outstanding immediately prior to the Effective Time held by Joel Block shall be exchanged for a restricted share unit issued by Sphere (a "**Replacement RSU**"), under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of Cathedra SV Shares subject to such Cathedra RSU immediately prior to the Effective Time multiplied by (B) the SVS Exchange Ratio. All terms and conditions of a Replacement RSU, including the term to expiry, vesting, conditions to and manner of exercising, shall reflect the same material economic and vesting terms of the applicable unvested Cathedra RSU immediately prior to the Effective Time (aside from adjustments to reflect the SVS Exchange Ratio) and shall be governed by the equity incentive plan of Sphere and the applicable Replacement RSU award agreement;
- (iv) each Accelerated Cathedra RSU, outstanding immediately prior to the Effective Time, shall be exchanged for such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of Cathedra SV Shares subject to such Accelerated Cathedra RSU immediately prior to the Effective Time multiplied by (B) the SVS Exchange Ratio; and
- (v) each holder of Cathedra Shares, Cathedra Warrants, Cathedra Options and Cathedra RSUs outstanding immediately prior to the Effective Time, with respect to each step set out above applicable to such holder, will be deemed, at the time such step occurs, to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer all Cathedra Shares, Cathedra Warrants, Cathedra Options and Cathedra RSUs held by such holder in accordance with such step.

3.2 No Fractional Shares

In no event shall any fractional Sphere Common Shares or Sphere Series I Shares be issued under this Plan of Arrangement. Where the aggregate number of Sphere Common Shares or Sphere Series I Shares to be issued to a Cathedra Shareholder as consideration under this Plan of Arrangement would result in a fraction of a Sphere Common Share or Sphere Series I Share being issuable, then the number of Sphere Common Shares or Sphere Series I Shares to be issued, as applicable, to such Cathedra Shareholder shall be rounded down to the closest whole number and no former Cathedra Shareholder will be entitled to compensation in respect of a fractional Cathedra Share.

3.3 Amalgamated Corporation (Amalco)

- (a) Unless and until otherwise determined in the manner required by Applicable Laws, by Amalco or by its directors or the holder of the Amalco Shares, the following provisions shall apply:
 - (i) the name of Amalco will be "Cathedra Holdings Inc." or such other name as mutually agreed to by Cathedra and Sphere;
 - (ii) the address of the registered and records office of Amalco will be 25th Floor, 700 West Georgia Street, Vancouver, BC V7Y 1B3.
 - (iii) the authorized capital of Amalco will consist of an unlimited number of Amalco Shares;
 - (iv) the initial directors of Amalco will be as follows:
 - (A) Joel Block; and
 - (B) Kurt Kalbfleisch.
 - (C) and such persons will hold office until the first annual or general meeting of the shareholders of Amalco or until their successors are duly appointed or elected. The subsequent directors will be elected each year thereafter as provided for in the articles of Amalco. The management and operation of the business and affairs of Amalco will be under the control of the board of directors as it is constituted from time to time;
 - (v) the initial officers of Amalco will be as follows:
 - (A) Joel Block – Chief Executive Officer;
 - (B) Kurt Kalbfleisch – Chief Financial Officer; and
 - (C) Tiah Reppas – Chief Accounting Officer.
 - (vi) the auditors of Amalco will be the auditors of Sphere;
 - (vii) the fiscal year end of Amalco will be December 31st of each calendar year; and
 - (viii) there will be no restrictions on the business that Amalco may carry on;

3.4 Paramountcy

From and after the Effective Time:

- (a) this Plan of Arrangement will take precedence and priority over any and all securities of Cathedra issued prior to the Effective Time;

- (b) the rights and obligations of the holders the securities of Cathedra, and any trustee and transfer agent therefor, will be solely as provided in this Plan of Arrangement; and
- (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any securities of Cathedra will be deemed to have been settled, compromised, released and determined without liability except as set out in this Plan of Arrangement.

3.5 U.S. Securities Laws Matters

Notwithstanding any provision herein to the contrary, Sphere, Cathedra and Amalco Sub acknowledge and agree that this Plan of Arrangement will be carried out with the intention that all Consideration Shares, Replacement Options and Replacement RSUs issued on completion of this Plan of Arrangement will be issued by Sphere in reliance on the exemption from the registration requirements of the U.S. Securities Act, as provided by section 3(a)(10) thereof, and pursuant to exemptions from registration under any other applicable United States state securities laws and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement.

Each holder of Cathedra Options, Cathedra Warrants and Cathedra RSUs entitled to receive Replacement Options, Replacement Warrants and Replacement RSUs and each holder of the Cathedra Shares entitled to receive Sphere Series I Shares, will be advised that the Section 3(a)(10) exemption does not exempt the issuance of securities upon the exercise or conversion, as applicable, of Replacement Options, Replacement RSUs, Replacement Warrants and Sphere Series I Shares and that therefore, the Sphere Common Shares issuable upon exercise or conversion, as applicable, of the Replacement Options, Replacement Warrants, Replacement RSUs and Sphere Series I Shares cannot be issued in the United States or to, or for the account or benefit of, a U.S. Person, in reliance on the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act, and such Sphere Common Shares issuable upon exercise or conversion, as applicable, of the Replacement Options, Replacement Warrants, Replacement RSUs and Sphere Series I Shares may only be issued and subsequently resold pursuant to one or more alternative exemptions from registration or an effective registration statement under the U.S. Securities Act and in compliance with applicable state securities law.

ARTICLE 4 DISSENTING SHAREHOLDERS

4.1 Rights of Dissent

Registered holders of Cathedra Shares may exercise rights of dissent ("**Dissent Rights**") in connection with this Plan of Arrangement in the manner set forth in sections 237 to 247 of the Act as modified by the Interim Order, the Final Order and this Section 4.1 (the "**Dissent Procedures**"). In particular, notwithstanding subsection 242(1)(a) of the Act, the written objection to the special resolution approving the Arrangement referred to in subsection 238(2) of the Act must be received by Cathedra not later than 5:00 p.m. (Vancouver Time) on the second Business Day preceding the date of the Cathedra Meeting or any date to which the Cathedra Meeting may be postponed or adjourned and provided further that Dissenting Shareholders who:

- (a) are ultimately entitled to be paid the fair value of their Cathedra Shares, (i) shall be deemed to have transferred such Cathedra Shares to Cathedra as of the Effective Time without any further act or formality, free and clear of all Encumbrances, in consideration for the payment by Cathedra of the fair value thereof, in cash; and (ii)

will not be entitled to any other payment or consideration including any payment that would be payable under the Arrangement had such Dissenting Shareholders not exercised their Dissent Right; or

- (b) are ultimately not entitled, for any reason, to be paid the fair value of their Cathedra Shares, shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Cathedra Shares, and shall receive Consideration Shares on the basis determined in accordance with Section 3.1(e)(i)(A) or Section 3.1(e)(i)(B), as applicable.

4.2 Recognition of Dissenting Shareholders

- (a) In no circumstances shall Sphere, Cathedra or any other person be required to recognize a person exercising Dissent Rights unless such person is the registered holder of those Cathedra Shares in respect of which such Dissent Rights are sought to be exercised.
- (b) For greater certainty, in no case shall Sphere, Cathedra, the Depositary, the registrar and transfer agent in respect of the Cathedra Shares or any other person be required to recognize Dissenting Shareholders as holders of the Cathedra Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfers under Section 3.1(c) and the names of such Dissenting Shareholders shall be removed from the registers of holders of the Cathedra Shares in respect of which Dissent Rights have been validly exercised at the same time as the event in Section 3.1(c) occurs.
- (c) In addition to any other restrictions under section 246 of the Act, none of the following shall be entitled to exercise Dissent Rights: (i) Cathedra Shareholders who vote or have instructed a proxyholder to vote such Cathedra Shares in favour of the Arrangement Resolution (but only in respect of such Cathedra Shares); (ii) Cathedra Locked-up Shareholders; and (iii) holders of Cathedra Options, Cathedra Warrants and Cathedra RSUs.

ARTICLE 5

DELIVERY OF CONSIDERATION

5.1 Deposit and Payment of Consideration

- (a) Following receipt of the Final Order and prior to the Effective Time, Sphere shall deposit, or arrange to be deposited, with the Depositary, for the benefit of the Cathedra Shareholders (other than Sphere or Dissenting Shareholders) the Consideration Shares to be delivered to Cathedra Shareholders (other than Sphere or Dissenting Shareholders) pursuant to Section 3.1 hereof upon the exchange of the Cathedra Shares, which Consideration Shares shall be held by the Depositary as agent and nominee for such former Cathedra Shareholders for distribution to such persons in accordance with the terms of this Article 5.
- (b) As soon as practicable following the later of the Effective Time and the date of deposit with the Depositary of a duly completed Letter of Transmittal, the certificates or direct registration system advice (a “**DRS Advice**”) which immediately prior to the Effective Time represented the Cathedra Shares, and such other documents and instruments as the Depositary may reasonably require, Sphere shall cause the Depositary:

- (i) to forward or cause to be forwarded by first class mail (postage prepaid) to each Cathedra Shareholder (other than Dissenting Shareholders) at the address specified in the Letter of Transmittal;
 - (ii) if requested by such Cathedra Shareholder in the Letter of Transmittal, to make available at the Depositary for pick-up by such Cathedra Shareholder; or
 - (iii) if the Letter of Transmittal neither specifies an address nor contains a request for pick-up, to forward or cause to be forwarded to such Cathedra Shareholder at the address of such Cathedra Shareholder on the share register of Cathedra, by first class mail (postage prepaid),
- certificates or a DRS Advice representing that number of Consideration Shares and which such Cathedra Shareholder has the right to receive and the certificate or DRS Advice representing the Cathedra Shares so surrendered shall be cancelled.
- (c) After the Effective Time, until surrendered as contemplated by this Section 5.1, each certificate which immediately prior to the Effective Time represented Cathedra Shares that were transferred and exchanged pursuant to Article 3 shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender, subject to Section 3.2, the entitlements described in this Article 5.

5.2 Withholding and Sale Rights

Sphere and the Depositary, as the case may be, will be entitled to deduct and withhold from any consideration payable to any person hereunder all amounts that Sphere or the Depositary, as the case may be, is required to deduct and withhold with respect to that payment under the Tax Act, the Internal Revenue Code, or any provision of Applicable Laws, and to remit such withheld amounts to the relevant taxation authorities. To the extent that amounts are so withheld, those withheld amounts will be treated for all purposes of this Arrangement as having been paid to such person in respect of which that deduction and withholding was made, provided that those withheld amounts are actually remitted to the appropriate taxation authority. Sphere and the Depositary are hereby authorized to sell or otherwise dispose of, at such times and at such prices as it determines, in its sole discretion, such portion of the Consideration Shares otherwise issuable or payable to such holder as is necessary to provide sufficient funds to Sphere or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement, and shall notify the holder thereof and remit to such holder any unapplied balance of the net proceeds of such sale or disposition (after deducting applicable sale commissions and any other reasonable expenses relating thereto) in lieu of the Consideration Shares or other consideration so sold or disposed of. To the extent that Consideration Shares or other consideration are so sold or disposed of, such withheld amounts or shares or other consideration so sold or disposed of, shall be treated for all purposes as having been paid to the holder of the Cathedra Shares in respect of which such deduction, withholding, sale or disposition was made, provided that such withheld amounts, or the net proceeds of such sale or disposition, as the case may be, are actually remitted to the appropriate taxing authority. Neither Sphere nor the Depositary, as the case may be, shall be obligated to seek or obtain a minimum price for any of the Consideration Shares or other consideration sold or disposed of by it hereunder, nor shall any of them be liable for any loss arising out of any such sale or disposition.

5.3 Distributions with Respect to Unsurrendered Certificates

No dividends or other distributions declared or made effective after the Effective Time with respect to Sphere Common Shares or Sphere Series I Shares with a record date after the Effective Time shall be paid to the holder of any unsurrendered certificate which immediately prior to the Effective Time

represented outstanding Cathedra Shares that were exchanged pursuant to Section 3.1 unless and until the holder of such certificate shall surrender such certificate in accordance with Section 5.1. Subject to Applicable Law, at the time of such surrender of any such certificate (or, in the case of clause (ii) below, at the appropriate payment date), there shall be paid to the holder of record of those certificates formerly representing Cathedra Shares, without interest: (i) the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to the Consideration Shares, to which such holder is entitled; and (ii) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender, payable with respect to the Consideration Shares, to which such holder is entitled.

5.4 Extinguishment of Rights

Notwithstanding any of the other provisions hereof, any certificate or DRS Advice which immediately prior to the Effective Time represented outstanding Cathedra Shares that were exchanged pursuant to Section 3.1, if it has not been surrendered with all other instruments required by this Section 5.4 on or prior to the sixth (6th) anniversary of the Effective Date, shall cease to represent a claim or interest of any kind or nature against any party. In such circumstances, the Consideration Shares to which such former registered holder of the Cathedra Shares was ultimately entitled to receive hereunder shall be deemed to have been surrendered to Sphere, together with all entitlement to dividends, distributions and cash thereon held for such former Cathedra Shareholder, for no consideration.

5.5 Adjustment to the Exchange Ratio

If, on or after the date hereof and prior to the Effective Time, Sphere issues any Sphere Common Shares pursuant to the ATM Agreement for aggregate net proceeds in excess of US\$1,000,000, Sphere RSUs (excluding any Sphere RSUs issued in lieu of cash as payments to members of the Sphere Board for service thereon) or Sphere Options, the number of Consideration Shares issuable to Cathedra Shareholders shall be adjusted by recalculating the SVS Exchange Ratio and the MVS Exchange Ratio to reflect such additional Sphere Common Shares issued for aggregate net proceeds in excess of US\$1,000,000 and/or the additional Sphere Common Shares issuable upon the settlement of such Sphere RSUs or exercise of such Sphere Options, as applicable, such that, as nearly as practicable, the relative economic value and proportionate ownership of the Cathedra Shareholders immediately prior to such issuance is preserved.

5.6 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Cathedra Shares that were to be exchanged pursuant to Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, any certificates pursuant to this Section 5.6 deliverable in accordance with such holder's Letter of Transmittal. When authorizing such issuance in exchange for any lost, stolen or destroyed certificate, the holder to whom certificates are to be delivered and issued shall, as a condition precedent to the delivery and issuance thereof, give a bond satisfactory to Sphere and its transfer agent in such sum as Sphere may direct, or otherwise indemnify Sphere and its successor entities, in a manner satisfactory to Sphere, against any claim that may be made against Sphere, or its successor entities, with respect to the certificate alleged to have been lost, stolen or destroyed.

ARTICLE 6 GENERAL

6.1 Right to Amendment

Sphere, Cathedra and Amalco Sub reserve the right to amend, modify or supplement this Plan of Arrangement from time to time and at any time prior to the Effective Time, provided that any such amendment, modification or supplement must be (a) set out in writing; (b) agreed in writing by Sphere, Cathedra and Amalco Sub; (c) filed with the Court and, if made following the Meeting, approved by the Court; and (d) communicated to the Cathedra Shareholders in the manner required by the Court (if so required).

6.2 Amendments Before Meeting

Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Cathedra at any time prior to or at the Cathedra Meeting (provided that Sphere shall have consented thereto in writing) with or without any other prior notice or communication, and if so proposed and accepted by the Cathedra Shareholders voting at the Cathedra Meeting, in the manner required by the Interim Order, shall become part of this Plan of Arrangement for all purposes.

6.3 Amendment After Meeting

Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Cathedra Meeting shall be effective only if (a) it is consented to in writing by each of Cathedra and Sphere; and (b) if required by the Court, it is consented to by the Cathedra Shareholders voting in the manner directed by the Court.

6.4 Amendment After Final Order

Any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order without filing such amendment, modification or supplement with the Court or seeking Court approval; provided that: (a) it concerns a matter which, in the reasonable opinion of Sphere and Cathedra, is of an administrative nature required to give effect to the implementation of this Plan of Arrangement and is not adverse to the interest of any Cathedra Shareholder or any holder of Cathedra Options, Cathedra Warrants or Cathedra RSUs (b) is an amendment contemplated in Section 6.5.

6.5 Amendments of an Administrative Nature

Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Sphere, provided that it concerns a matter which, in the reasonable opinion of Sphere, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and provided that it is not materially adverse to interests of a former Cathedra Shareholder or any former holder of Cathedra Options, Cathedra Warrants or Cathedra RSUs.

6.6 Withdrawal

This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 7 FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of Cathedra,

Sphere and Amalco Sub shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

**APPENDIX I TO SCHEDULE A
AMALGAMATION APPLICATION**

[see attached]



Telephone: 1 877 526-1526
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street
Victoria BC V8W 3E6

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A INITIAL INFORMATION – *When the amalgamation is complete, your company will be a BC limited company.*

What kind of company(ies) will be involved in this amalgamation?

(Check all applicable boxes.)

☐

BC company

☐

BC unlimited liability company

B NAME OF COMPANY – *Choose one of the following:*

☐

The name Cathedra Holdings Inc. is the name reserved for the amalgamated company. The name reservation number is: NR 5131595,

OR

☐

The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number,

OR

☐

The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

The name of the amalgamating company being adopted is:

The incorporation number of that company is: _____

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

C AMALGAMATION STATEMENT – *Please indicate the statement applicable to this amalgamation.*

☐

With Court Approval:

This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

☐

Without Court Approval:

This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

D AMALGAMATION EFFECTIVE DATE – Choose **one** of the following:

☐ The amalgamation is to take effect at the time that this application is filed with the registrar.

YYYY / MM / DD

☐ The amalgamation is to take effect at 12:01a.m. Pacific Time on _____
being a date that is not more than ten days after the date of the filing of this application.

YYYY / MM / DD

☐ The amalgamation is to take effect at _____ ☐ a.m. or ☐ p.m. Pacific Time on _____
being a date and time that is not more than ten days after the date of the filing of this application.

E AMALGAMATING CORPORATIONS

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number.
If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1. Cathedra Bitcoin Inc.	C1176117	
2. S3D Acquisition Corp.	BC1525407	
3.		
4.		
5.		

F FORMALITIES TO AMALGAMATION

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

☐ This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

G CERTIFIED CORRECT – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
1. Joel Block	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
2. Kurt Kalbfleisch	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
3.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
4.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
5.	X	

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item B of the Amalgamation Application.

Cathedra Holdings Inc.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME

FIRST NAME

MIDDLE NAME

Block

Joel

DELIVERY ADDRESS

422 Richards Street, Unit 170, Vancouver

PROVINCE/STATE

BC

COUNTRY

Canada

POSTAL CODE/ZIP CODE

V6B 2Z4

MAILING ADDRESS

422 Richards Street, Unit 170, Vancouver

PROVINCE/STATE

BC

COUNTRY

Canada

POSTAL CODE/ZIP CODE

V6B 2Z4

LAST NAME

FIRST NAME

MIDDLE NAME

Kalbfleisch

Kurt

DELIVERY ADDRESS

125 S. Market Street, San Jose

PROVINCE/STATE

CA

COUNTRY

USA

POSTAL CODE/ZIP CODE

92123

MAILING ADDRESS

125 S. Market Street, San Jose

PROVINCE/STATE

CA

COUNTRY

USA

POSTAL CODE/ZIP CODE

92123

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE 25th Floor, 700 West Georgia Street, Vancouver	PROVINCE BC	POSTAL CODE V7Y 1B3
MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE 25th Floor, 700 West Georgia Street, Vancouver	PROVINCE BC	POSTAL CODE V7Y 1B3

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE 25th Floor, 700 West Georgia Street, Vancouver	PROVINCE BC	POSTAL CODE V7Y 1B3
MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE 25th Floor, 700 West Georgia Street, Vancouver	PROVINCE BC	POSTAL CODE V7Y 1B3

F AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✓)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✓)	WITH A PAR VALUE OF (\$)	Type of currency	YES (✓)	NO (✓)
Common	☐		☐				☐

APPENDIX II TO SCHEDULE A
ARTICLES OF AMALCO

[see attached]

Incorporation number: _____

Cathedra Holdings Inc. (the "Company")

The Company has as its articles the following articles.

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;
- (2) "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) "*Interpretation Act*" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) "legal personal representative" means the personal or other legal representative of a shareholder;
- (5) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;
- (6) "seal" means the seal of the Company, if any.

1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were set out herein. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment or Written Notice

Unless the shares of which a shareholder is the registered owner are uncertificated shares, each shareholder is entitled, on request and at the shareholder's option, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all. Within a reasonable time after the issue or transfer of a share that is an uncertificated share, the Company must send to the shareholder a written notice containing the information required by the *Business Corporations Act*.

2.4 Delivery by Mail

Any share certificate, non-transferable written acknowledgment of a shareholder's right to obtain a share certificate or written notice of the issue or transfer of an uncertificated share may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate, acknowledgement or written notice is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, provided such person has complied with the requirements of the *Business Corporations Act*.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid as a fee to the Company for the issuance of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any, determined by the directors, which must not exceed the amount prescribed under the *Business Corporations Act*.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;

- (b) property;
 - (c) money; and
- (2) the directors in their discretion have determined that the value of the consideration received by the Company is equal to or greater than the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options, convertible debentures and rights upon such terms and conditions as the directors determine, which share purchase warrants, options, convertible debentures and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register and Any Branch Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register and may maintain a branch securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register or any branch securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (1) a duly signed instrument of transfer in respect of the share;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;
- (3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and

- (4) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered.

For the purpose of this Article, delivery or surrender to the transfer agent or registrar which maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved from time to time by the directors or the transfer agent or registrar for the class or series of share to be transferred.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificate(s) or set out in the written acknowledgments deposited with the instrument of transfer or, if the shares are uncertificated shares, then all of the uncertificated shares registered in the name of the shareholder:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid as a fee to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative of the shareholder, or, in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of the shareholder, the directors may require a declaration of transmission made by the legal personal representative stating the particulars of the transmission, proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations with respect to the shares as were held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by resolution of the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

7.3 Redemption of Shares

If the Company proposes to redeem some but not all of the shares of any class, the directors may, subject to any special rights and restrictions attached to such class of shares, determine the manner in which the shares to be redeemed shall be selected.

7.4 Sale and Voting of Purchased Shares

If the Company retains a share which it has redeemed, purchased or otherwise acquired, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

8.1 Powers of the Company

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 Bonds, Debentures, Debt

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors:
 - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
 - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
 - (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (e) change all or any of its unissued shares with par value into shares without par value or any of its unissued shares without par value into shares with par value or change all or any of its fully paid issued shares with par value into shares without par value; or
 - (f) alter the identifying name of any of its shares; and
- (2) by ordinary resolution otherwise alter its shares or authorized share structure;

and, if applicable, alter its Notice of Articles and, if applicable, alter its Articles accordingly.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares if none of those shares have been issued; and
- (2) by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above if any of the shares of the class or series of shares have been issued,

and alter its Notice of Articles and Articles accordingly.

9.3 Change of Name

The Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name and may, by directors' resolution or ordinary resolution, in each case as determined by the directors, adopt or change any translation of that name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by a resolution of the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders.

10.4 Location of Meetings of Shareholders

A meeting of the Company may be held:

- (1) in the Province of British Columbia;
- (2) at another location outside British Columbia if that location is:
 - (a) approved by resolution of the directors before the meeting is held; or
 - (b) approved in writing by the Registrar of Companies before the meeting is held.

10.5 Notice for Meetings of Shareholders

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.6 Notice of Resolution to which Shareholders May Dissent

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days; or
- (2) otherwise, 10 days.

10.7 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days; or
- (2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the

meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.9 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.10 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting or a circular prepared in connection with the meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;

- (d) the setting or changing of the number of directors;
- (e) the election or appointment of directors;
- (f) the appointment of an auditor;
- (g) the setting of the remuneration of an auditor;
- (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
- (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one person present or represented by proxy.

11.4 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxyholder entitled to vote at the meeting.

11.5 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.6 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.7 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.6(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the meeting shall be terminated.

11.8 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.9 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president willing to act as chair of the meeting or present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose a director, officer or corporate counsel to be chair of the meeting or if none of the above persons are present or if they decline to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.10 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.11 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.12 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by

show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.13 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.12, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.14 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.15 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders, either on a show of hands or on a poll, does not have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.16 Manner of Taking Poll

Subject to Article 11.17, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.17 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.18 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.19 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.20 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.21 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.22 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting of shareholders, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must be received:
 - (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
 - (b) by the chair of the meeting at the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation that is a shareholder may appoint a proxy holder.

12.6 Proxy Provisions Do Not Apply to All Companies

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint up to two proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or any adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given or has been taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder—printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;
- (2) if the Company is a public company, the greater of three and the most recently set of:
 - (a) the number of directors elected by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:
 - (a) the number of directors elected by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors, subject to Article 14.8, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director or to his or her spouse or

dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) those directors whose term of office expires at the annual general meeting cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) when his or her successor is elected or appointed; and
- (4) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity; and
- (4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from

the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. INTERESTS OF DIRECTORS AND OFFICERS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or

transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board or if designated by the chair, the president, a director or other officer; or
- (3) any other director or officer chosen by the directors if:
 - (a) neither the chair of the board nor the president is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) neither the chair of the board nor the president is willing to chair the meeting; or
 - (c) the chair of the board and the president have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

- (1) in person;
- (2) by telephone; or
- (3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director. Attendance of a director or alternate director at a meeting of directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing;
or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article may be by signed document, fax, e-mail or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors;
and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;

- (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times and in such manner and form as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (1) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (a) is or may be joined as a party; or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(3) "expenses" has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Eligible Parties

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification

Subject to any restrictions in the *Business Corporations Act* and these Articles, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles or, if applicable, any former *Companies Act* or former Articles, does not invalidate any indemnity to which he or she is entitled under this Part.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity; or
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

23. ACCOUNTING RECORDS AND AUDITORS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

23.3 Remuneration of Auditors

The directors may set the remuneration of the auditors. If the directors so decide, the remuneration of the auditors will be determined by the shareholders.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record (for the purposes of this Article 24, a "record") required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class; or
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class; or
 - (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (5) making the record available for public electronic access in accordance with the procedures referred to as "notice-and-access" under National Instrument 54-101 and National

Instrument 51-102, as applicable, of the Canadian Securities Administrators, or in accordance with any similar electronic delivery or access method permitted by applicable securities legislation from time to time; or

- (6) physical delivery to the intended recipient.

24.2 Deemed Receipt

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the date it was e-mailed; and
- (4) made available for public electronic access in accordance with the "notice-and-access" or similar delivery procedures referred to in Article 24.1(5) is deemed to be received by a person on the date it was made available for public electronic access.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

- (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6 Undelivered Notices

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

25. SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures

or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

- (1) "designated security" means:
 - (a) a voting security of the Company;
 - (b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (2) "security" has the meaning assigned in the *Securities Act* (British Columbia);
- (3) "voting security" means a security of the Company that:
 - (a) is not a debt security, and
 - (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

APPENDIX III TO SCHEDULE A
SPHERE ARTICLES OF AMENDMENT

[see attached]

**SPHERE 3D CORP.
ARTICLES OF AMENDMENT
OF
SERIES I PREFERRED SHARES**

The undersigned, Kurt Kalbfleisch, does hereby certify that:

1. He is the Chief Executive Officer of Sphere 3D Corp., an Ontario corporation (the “**Corporation**”).
2. The Corporation is authorized to issue an unlimited number of preferred shares, issuable in series.
3. The following resolutions were duly adopted by the board of directors of the Corporation (the “**Board of Directors**”):

WHEREAS, the certificate and articles of incorporation of the Corporation, as amended, provides that the Corporation is authorized to issue an unlimited number of preferred shares, issuable in one or more series;

WHEREAS, the Board of Directors is authorized to fix the number of shares in each series of preferred shares and to determine dividend rights, dividend rate, voting rights, conversion rights, rights and terms of redemption and liquidation preferences attaching to each series of preferred shares; and

WHEREAS, it is the desire of the Board of Directors, pursuant to its authority as aforesaid, to create a new series of preferred shares and to fix the rights, preferences, restrictions and other matters relating to such series of the preferred shares;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby provide for the creation of a new series of preferred shares, being an unlimited number of Series I Preferred Shares, for cash or exchange of other securities, rights or property and does hereby fix and determine the rights, preferences, restrictions and other matters relating to such Series I Preferred Shares as follows:

The Series I Preferred Shares shall have the following rights, privileges, restrictions and conditions (the “**Series I Preferred Share Provisions**”):

1. DEFINITIONS

1.1 In these Series I Preferred Share Provisions, the following words and phrases shall have the following meanings:

- (a) “**Act**” means the *Business Corporations Act* (Ontario), as now enacted or as it may from time to time be amended, re-enacted or replaced (and in the case of such

amendment, re-enactment or replacement, any references herein to specific provisions thereof shall be read as referring to such amended, re-enacted or replaced provisions);

- (b) **“Affiliate”** means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 of the Securities Act;
- (c) **“Arrangement Agreement”** means that certain arrangement agreement, dated as of March 5, 2026, by and among the Corporation, Cathedra Bitcoin Inc. and S3D Acquisition Corp.;
- (d) **“Business Day”** means a day other than a Saturday, Sunday or any other statutory holiday in the City of New York, New York or in the City of Toronto, Ontario;
- (e) **“Closing Sale Price”** means, for any security as of any date, the last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price (as the case may be) then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last trade price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no last trade price is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices). If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as determined by the Corporation. All such determinations shall be appropriately adjusted for any stock dividend, stock split, consolidation, combination, conversion, exchange, reclassification, substitution or other similar recapitalization during such period;
- (f) **“Commission”** means the U.S. Securities and Exchange Commission;
- (g) **“Common Shares”** means the common shares of the Corporation;
- (h) **“Corporation”** means Sphere 3D Corp., an Ontario corporation;
- (i) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
- (j) **“Holder”** in respect of any Series I Preferred Share, means the registered holder thereof;
- (k) **“Initial Issue Date”** means the date of initial issuance of Series I Preferred Shares;

- (l) **“Person”** means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind;
- (m) **“Principal Market”** means, as of any time of determination, the principal Trading Market, if any, in which the Common Shares are listed or quoted for trading on the date in question;
- (n) **“Securities Act”** means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
- (o) **“Series H Preferred Shares”** means the Series H Preferred Shares, no par value, of the Corporation;
- (p) **“Series I Conversion Rate”** at any time means the number of Common Shares into which one Series I Preferred Share may be converted, as may be equitably adjusted from time to time pursuant to these Series I Preferred Share Provisions for stock splits, dividends and similar combinations or subdivisions applicable to all Common Shares;
- (q) **“Series I Preferred Holder Approval”** means the approval of the Holders of the Series I Preferred Shares given in writing by the Holders of a majority of the outstanding Series I Preferred Shares (or such greater percentage as may be required by applicable law) or by a resolution passed by a majority of the votes cast by the Holders of Series I Preferred Shares who voted in respect of that resolution (or such greater percentage as may be required by applicable law);
- (r) **“Series I Preferred Shares”** means the Series I Preferred Shares, no par value, of the Corporation;
- (s) **“Trading Day”** means a day on which the Principal Market is open for business;
- (t) **“Trading Market”** means any of the following markets or exchanges: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or OTCQX (or any successors to any of the foregoing);
- (u) **“Transfer Agent”** means TMX Equity Transfer, and any successor transfer agent of the Corporation;
- (v) **“Year 1 Dividend Rate”** means 8.00%;
- (w) **“Year 2 Dividend Rate”** means 8.00%; and
- (x) **“Year 3 Dividend Rate”** means 8.00%.

2. DIVIDENDS

Subject to the rights of the holders of any Series H Preferred Shares, until the thirty-six (36) month anniversary of the Initial Issue Date, the Holders of outstanding Series I Preferred Shares shall be entitled to receive, except to the extent prohibited by applicable law governing distributions to shareholders, dividends payable annually on [●] of each applicable calendar year (provided, however, that if such date is not a Business Day, the relevant annual dividend shall be payable on the first Business Day following such date) (each date a “**Series I Annual Dividend Payment Date**”), which dividends shall be paid in Series I Preferred Shares (such shares, the “**PIK Shares**”), at (i) the Year 1 Dividend Rate for the first twelve (12) months following the Initial Issue Date, (ii) the Year 2 Dividend Rate for the second twelve (12) months following the Initial Issue Date, and (iii) the Year 3 Dividend Rate for the third twelve (12) months following the Initial Issue Date, in each case rounded down to the nearest whole share. For the avoidance of doubt, (a) the number of PIK Shares issuable to each Holder on each Series I Annual Dividend Payment Date shall be calculated based on the number of Series I Preferred Shares held by such Holder on the applicable Series I Annual Dividend Payment Date and (b) the Holders of Series I Preferred Shares shall have no right to receive dividends following the thirty-six (36) month anniversary of the Initial Issue Date.

3. CANCELLATION OF SHARES

Series I Preferred Shares that are redeemed by the Corporation pursuant to any of the provisions hereof shall be cancelled on and as of the date of such redemption.

4. VOTING RIGHTS

The Holders of Series I Preferred Shares shall be entitled to receive notice of, and to attend (in a non-voting capacity) all meetings of shareholders of the Corporation, other than a meeting of the Holders of any other class of shares meeting separately as a class (but for certainty, Holders shall be entitled to receive notice of, and to attend (in a non-voting capacity) all meetings of holders of Common Shares. Other than with respect to the matters contained herein which specifically provide the Holders with certain limited voting rights and except as otherwise required by law, the Series I Preferred Shares shall have no voting rights.

5. CONVERSION

5.1 CONVERSIONS AND ADJUSTMENTS

Upon and subject to the terms and conditions set out in this Section 5.1, the Holder shall have the right to convert all or any part of its Series I Preferred Shares, other than any PIK Shares, into the number of fully paid and non-assessable Common Shares that is equal to (i) the number of Series I Preferred Shares to be converted, multiplied by (ii) the Series I Conversion Rate in effect on the applicable Conversion Date (as defined below) (the “**Conversion Shares**”), provided that the Holder may effect such conversion only to the extent permitted by the following schedule:

- (a) on or after the date that is the twelve (12) month anniversary of the Initial Issue Date, up to 33-1/3% of the Series I Preferred Shares issued to such Holder on the Initial Issue Date (excluding PIK Shares);

- (b) on or after the date that is the twenty-four (24) month anniversary of the Initial Issue Date, up to an aggregate of 66-2/3% of the Series I Preferred Shares issued to such Holder on the Initial Issue Date (excluding PIK Shares); and
- (c) on or after the date that is the thirty-six (36) month anniversary of the Initial Issue Date, up to an aggregate of 100% of the Series I Preferred Shares issued to such Holder on the Initial Issue Date (excluding PIK Shares).

On or after the thirty-six (36) month anniversary of the Initial Issue Date, upon and subject to the terms and conditions set out in this Section 5.1, the Holder shall have the right to convert all or any part of the PIK Shares into the number of fully paid and non-assessable Common Shares that is equal to the number of PIK Shares to be converted multiplied by the Series I Conversion Rate in effect on the date of conversion. Unless and until adjusted in accordance with these Series I Preferred Share Provisions, the Series I Conversion Rate shall be equal to 1:1, meaning, for the avoidance of doubt, that each Series I Preferred Share shall be convertible into one (1) Common Share, subject to appropriate adjustment from the date hereof in the event of any stock dividend, stock split, consolidation, combination, conversion, exchange, reclassification, substitution or other similar recapitalization with respect to the Common Shares.

Notwithstanding anything to the contrary contained in this Section 5.1 (including the foregoing conversion schedule and the limitation on conversion of PIK Shares prior to the thirty-six (36) month anniversary of the Initial Issue Date), if Joel Block ceases to be the Chief Executive Officer of the Corporation as a result of (x) a termination without cause, (y) Mr. Block's resignation for Good Reason (as defined in his applicable employment agreement with the Corporation at such time) or (z) Mr. Block's entry into a mutually agreed upon separation agreement with the Corporation and/or is not included on the management slate of directors of the Corporation at any shareholders meeting, then, effective upon such occurrence, the Holder shall have the right to convert, in whole or in part and at any time thereafter, all of its Series I Preferred Shares, including any and all PIK Shares issued (or paid) to the Holder on or prior to such time, into Common Shares at the Series I Conversion Rate in effect on the applicable Conversion Date, in each case upon and subject to the terms and conditions set out in this Section 5.1.

The Corporation shall not issue any Common Shares upon conversion of any Series I Preferred Shares or otherwise pursuant to the terms of these Series I Preferred Share Provisions, if the issuance of such Common Shares would exceed the aggregate number of Common Shares which the Corporation may issue upon conversion of the Series I Preferred Shares without breaching the Corporation's obligations under the rules and regulations of the Principal Market (the maximum number of Common Shares which may be issued without violating such rules and regulations, the "**Exchange Cap**"), except that such limitation shall not apply in the event that the Corporation obtains the approval of its shareholders as required by the applicable rules and regulations of the Principal Market for issuances of Common Shares in excess of such amount. Until such approval is obtained, no Holder shall be issued in the aggregate, upon conversion of any Series I Preferred Shares, Common Shares in an amount greater than the product of (i) the Exchange Cap as of the Initial Issue Date multiplied by (ii) the quotient of (1) the aggregate number of Series I Preferred Shares issued to such Holder on the Initial Issue Date, divided by (2) the aggregate number of shares of Series I Preferred Shares outstanding as of the Initial Issue Date (with respect to each Holder, the "**Exchange Cap Allocation**"). In the event that any Holder shall sell or otherwise

transfer any of such Holder's Series I Preferred Shares, the transferee shall be allocated a pro rata portion of such Holder's Exchange Cap Allocation with respect to such portion of such Series I Preferred Shares so transferred, and the restrictions of the prior sentence shall apply to such transferee with respect to the portion of the Exchange Cap Allocation so allocated to such transferee.

Under no circumstance shall the Corporation be required to settle the Series I Shares in cash. The Corporation is permitted to settle Series I Preferred Shares in unregistered shares of Common Shares.

5.2 AVOIDANCE OF FRACTIONAL SHARES

In any case where a fraction of a Common Share would otherwise be issuable on conversion of one or more Series I Preferred Shares, the Corporation shall adjust such fractional interest by rounding down to the nearest whole share.

5.3 RESERVATION OF COMMON SHARES

So long as any of the Series I Preferred Shares are outstanding and entitled to the right of conversion herein provided, the Corporation shall at all times reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of effecting such conversion, a sufficient number of unissued Common Shares to enable all of the Series I Preferred Shares outstanding to be converted upon the basis and upon the terms and conditions herein provided in this Section 5.

5.4 MECHANICS OF CONVERSION

- (a) To effect a conversion, a Holder shall deliver to the Corporation (or, at the Corporation's direction, the Transfer Agent) a written notice of conversion in substantially the form attached as Annex A (a "**Notice of Conversion**"), duly completed and executed, specifying (i) the number of Series I Preferred Shares the Holder elects to convert, (ii) the name(s) in which the Conversion Shares are to be registered, and (iii) delivery instructions, including, if applicable, DWAC instructions.
- (b) A conversion shall be deemed to have been effected (the "**Conversion Date**") as of the close of business in New York, New York on the date a properly completed Notice of Conversion is received by the Corporation (or the Transfer Agent, if applicable).
- (c) As of the Conversion Date, (i) the Series I Preferred Shares converted shall be deemed cancelled and the rights of the Holder with respect to such converted Series I Preferred Shares shall cease, and (ii) the Holder shall be deemed to be the holder of record of the Conversion Shares issuable upon such conversion.
- (d) In the case of any partial conversion, the Corporation shall cause the Transfer Agent to issue and deliver to the Holder evidence of the number of Series I Preferred Shares remaining outstanding after giving effect to such conversion.

5.5 DELIVERY OF CONVERSION SHARES

Within three (3) Trading Days following the Conversion Date (the “**Share Delivery Date**”), the Corporation shall cause the Transfer Agent to deliver the Conversion Shares to the Holder in accordance with the delivery instructions set forth in the Notice of Conversion (including, if applicable, by DWAC). The Corporation shall be responsible for all fees of the Transfer Agent associated with such issuance and delivery; provided that the Holder shall be responsible for any transfer taxes that may be payable with respect to any issuance in a name other than the Holder.

6. LIQUIDATION, DISSOLUTION, WINDING-UP, MERGER, SALE OR DISPOSITION

- (a) In the event of an ordinary liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the Series I Preferred Shares shall entitle each of the Holders thereof to receive an amount per Series I Preferred Share equal to the greater of (i) the Closing Sale Price of the Common Shares on the Trading Day immediately preceding such ordinary liquidation, dissolution or winding-up of the Corporation and (ii) the amount that such Holder would have been entitled to receive in such ordinary liquidation, dissolution or winding-up of the Corporation, if such Series I Preferred Share had been converted into Common Shares immediately prior thereto, the whole to be paid before any amount is paid or any assets of the Corporation are distributed to the holders of Common Shares or any other shares ranking junior to the Series I Preferred Shares on any such ordinary liquidation, dissolution, winding-up or distribution. Upon payment of the amounts so payable to them in the event of an ordinary liquidation, dissolution or winding-up of the Corporation, the Holders of Series I Preferred Shares and Common Shares shall not be entitled to share in any further distribution of assets of the Corporation.
- (b) A deemed liquidation (each a “**Deemed Liquidation**”) shall be deemed to occur upon any other liquidation, dissolution, or winding up of the Corporation, other than an ordinary liquidation covered by Section 6(a) above, in connection with (i) a sale, conveyance, exclusive license or other disposition of all or substantially all of the undertaking, property or assets (including, without limitation, the material intellectual property) of the Corporation, where the shareholders of the Corporation immediately prior to the transaction do not collectively own, directly or indirectly, a majority interest in any purchasing or acquiring entity following the transaction; (ii) a merger or amalgamation of the Corporation with or into, or consolidation of the Corporation with, any other corporation in which the shareholders of the Corporation immediately prior to the transaction do not collectively own, directly or indirectly, a majority of the voting power of the surviving corporation following the transaction; or (iii) the sale, exchange or other disposition of the outstanding Common Shares of the Corporation or any reorganization or other transaction in which the shareholders of the Corporation immediately prior to the transaction do not own, directly or indirectly, a majority of the voting power of the surviving corporation following the transaction. In the event of a Deemed Liquidation where the nature of the transaction is such that the consideration (whether in the form of cash, securities or other property) in connection with such Deemed Liquidation would be receivable by the shareholders of the Corporation, then all distributions and payments in respect of such Deemed Liquidation shall be made to the holders of Series I Preferred Shares and Common Shares on a pro rata basis, treating all outstanding Series I Preferred Shares as if they had been

converted into of Common Shares immediately prior to such Deemed Liquidation. The Holders of the Series I Preferred Stock and holders of Common Shares (which, for the avoidance of doubt, constitute all shares of the Corporation's capital stock junior to the Series H Preferred Shares as of the date of creation of the Series I Preferred Shares) shall receive at the closing of such Deemed Liquidation such portion of the aggregate consideration (whether in the form of cash, securities or other property) receivable by the shareholders of the Corporation in connection with such Deemed Liquidation (the "**Aggregate Consideration**") on a pro rata basis, treating all outstanding Series I Preferred Shares as if they had been converted into Common Shares immediately prior to such Deemed Liquidation. As a result, Holders of Series I Preferred Shares and holders of Common Shares shall be entitled to the same form of Aggregate Consideration upon the occurrence of a Deemed Liquidation.

The Corporation shall provide the Holders with at least ten (10) Business Days' prior written notice of the consummation of any Deemed Liquidation.

7. ADDITIONAL RESTRICTIONS

Except as provided in Section 6, the Common Shares shall rank junior to the Series I Preferred Shares and shall be subject in all respects to the rights, privileges, restrictions and conditions attaching to the Series I Preferred Shares. The Series H Preferred Shares shall rank senior to the Series I Preferred Shares.

Until the date following the thirty-six (36) month anniversary of the Initial Issue Date, except as specifically contemplated by these Series I Preferred Share Provisions, the Corporation shall not, without the approval of a majority of Holders (with each such share having one vote):

- (a) Make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series I Preferred Shares, except if a return of capital is made with respect to the Common Shares and the Holders are entitled to participate in such return of capital on a *pari passu* basis with the holders of Common Shares; provided, that the foregoing shall not restrict the Corporation from redeeming or otherwise repurchasing common share purchase warrants or any other securities convertible into or exchangeable for Common Shares; and
- (b) Make any return of capital in respect of any shares, ranking as to payment of dividends or return of capital on a parity with the Series I Preferred Shares, except if a return of capital is made with respect to the Common Shares and the Holders are entitled to participate in such return of capital on a *pari passu* basis with the holders of Common Shares; provided, that the foregoing shall not restrict the Corporation from redeeming or otherwise repurchasing common share purchase warrants or any other securities convertible into or exchangeable for Common Shares.

8. MODIFICATION

Subject to the provisions of the Act, the rights, privileges, restrictions and conditions attaching to the Series I Preferred Shares may be deleted, varied, modified, amended or amplified with prior Series I Preferred Holder Approval.

9. MISCELLANEOUS

9.1 NOTICES

Any notice required or permitted to be given to any Holder shall be delivered by courier to such Holder at its address as it appears on the records of the Corporation or in the event of the address of any such Holder not so appearing, then to the last address of such Holder known to the Corporation.

9.2 GENDER, ETC.

Words importing only the singular number include the plural and vice versa and words importing any gender include all genders.

9.3 CURRENCY

All monetary amounts referred to herein shall be in lawful money of the United States unless otherwise indicated.

9.4 HEADINGS

The division of these Series I Preferred Share Provisions into sections, paragraphs or other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

9.5 BUSINESS DAY

In the event that any date upon which any action is required to be taken by the Corporation or any Holder hereunder, is not on a Business Day or during a Business Day, then such action shall be required to be taken on or by the next succeeding day which is a Business Day.

RESOLVED, FURTHER, that the Chief Executive Officer is hereby authorized and directed to prepare and file these articles of amendment in accordance with the foregoing resolution and the provisions of the laws of the Province of Ontario, Canada.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this [●] day of [●], 2026.

Name: Kurt Kalbfleisch
Title: Chief Executive Officer

ANNEX A
NOTICE OF CONVERSION
(TO BE EXECUTED BY THE REGISTERED HOLDER IN ORDER TO CONVERT SHARES
OF PREFERRED STOCK)

The undersigned hereby elects to convert the number of shares of Series I Preferred Shares indicated below into common shares (the "Common Shares"), of SPHERE 3D CORP., an Ontario corporation (the "Corporation"), according to the conditions hereof, as of the date written below. If Common Shares are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. No fee will be charged to the Holders for any conversion, except for any such transfer taxes.

Conversion calculations:

Date to Effect Conversion: _____

Number of Series I Preferred Shares owned prior to Conversion: _____

Number of Series I Preferred Shares to be Converted: _____

Number of Common Shares to be Issued: _____

Number of Series I Preferred Shares to be owned subsequent to Conversion:

Address for Delivery: _____

or

DWAC Instructions:

Broker no: _____

Account no: _____

SCHEDULE "B"
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Section 288 of the *Business Corporations Act* (British Columbia) (the "**BCCA**") involving Cathedra Bitcoin Inc. (the "**Company**"), as more particularly described and set forth in the management information circular (the "**Circular**") of the Company dated [●], 2026, accompanying the notice of this meeting (as the Arrangement may be amended, modified or supplemented in accordance with its terms), is hereby authorized, approved and adopted.
2. The plan of arrangement (the "**Plan of Arrangement**") involving the Company (as it has been or may be amended, modified or supplemented in accordance with its terms) and the implementation of the Arrangement, the full text of which is set out in Schedule "A" to the Arrangement Agreement, is hereby authorized, approved and adopted.
3. The (i) arrangement agreement dated as of March 5, 2026 between Sphere 3D Corp., the Company and S3D Acquisition Corp. (the "**Arrangement Agreement**") and related transactions, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.
4. The Company be and is hereby authorized to apply for a final order (the "**Final Order**") from the Supreme Court of British Columbia to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular).
5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the shareholders of the Company, (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.
6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver for filing with the Registrar under the BCCA such documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement and the Final Order, such determination to be conclusively evidenced by the execution and delivery of such documents.
7. Any one officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

SCHEDULE "C"

MATERIAL TERMS OF MANAGEMENT MEMBER EMPLOYMENT AGREEMENT

[REDACTED – COMMERCIALY SENSITIVE]

SCHEDULE "D"
REQUIRED CONSENTS

None.

APPENDIX "C"
INTERIM ORDER

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

APR 01 2026

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C. 2002,
C.57, AS AMENDED

No. S-262310
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
CATHEDRA BITCOIN INC., ITS SECURITYHOLDERS, AND SPHERE 3D CORP.

CATHEDRA BITCOIN INC.

PETITIONER

ORDER MADE AFTER APPLICATION
(INTERIM ORDER)

BEFORE

ASSOCIATE JUDGE

Robinson

01/April/2026

ON THE APPLICATION of the Petitioner, Cathedra Bitcoin Inc. ("Cathedra") for an Interim Order under section 291 of the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended (the "BCBCA") in connection with an arrangement involving Cathedra, Sphere 3D Corp. ("Sphere"), S3D Acquisition Corp., a wholly-owned subsidiary of Sphere ("Amalco Sub"), the holders (the "SV Shareholders") of subordinate voting shares of Cathedra (the "SV Shares"), the holders (the "MV Shareholders" and with the SV Shareholders, the "Cathedra Shareholders") of multiple voting shares of Cathedra ("MV Shares" and collectively with the SV Shares, the "Cathedra Shares"), the holders (the "Optionholders") of options to purchase SV Shares ("Cathedra Options"), the holders ("Warrantholders") of warrants to purchase SV Shares ("Cathedra Warrants"), and the holders ("RSUholders" and together with the Cathedra Shareholders, Optionholders, and Warrantholders, the "Securityholders") of restricted share units to acquire SV Shares ("Cathedra RSUs") under section 288 of the BCBCA.

- ☒ without notice coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on April 1, 2026 and on hearing Lauren Gnanasihmany counsel for Cathedra, and upon reading the Petition filed herein, the Affidavit No. 1 of Inar Kamaletdinov made March 30, 2026 (the "Affidavit"), and the Affidavit #1 of Mahsa Adibi made April 1, 2026 and filed herein.

THIS COURT ORDERS that:

SPECIAL MEETING

1. Pursuant to sections 186, 288, 289(1)(a)(i) and (e), 290 and 291(2)(b)(i) of the BCBCA, Cathedra is authorized and directed to call, hold and conduct a special meeting (the "Meeting") of the

Securityholders on May 15, 2026 at 9:00 a.m. (Vancouver time) at 170-422 Richards Street, Vancouver, British Columbia, V6B 2Z4:

- (a) to consider and, if deemed advisable, to pass, with or without variation, among other things, a special resolution (the "Arrangement Resolution") of the Securityholders authorizing and approving an arrangement (the "Arrangement") under Division 5 of Part 9 of the BCBCA; and
 - (b) to transact such other business, as may properly be brought before the Meeting, or any adjournment or postponement thereof.
- 2. The Meeting shall be called, held and conducted in accordance with the BCBCA, the notice of special meeting of the Cathedra Shareholders (the "Notice") and the management information circular, drafts of which are attached as Exhibit "A" to the Affidavit (the "Information Circular"), the articles of Cathedra and applicable securities laws, subject to the terms of this Interim Order and any further Order of this Court, as well as the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency this Interim Order shall govern or, if not specified in the Interim Order, the Information Circular shall govern.

AMENDMENTS

- 3. Cathedra is authorized to make, in the manner contemplated by and subject to the arrangement agreement between Cathedra, Sphere and Amalco Sub dated March 5, 2026 (the "Arrangement Agreement"), such amendments, modifications or supplements to the Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular as it may determine without any additional notice to or authorization of the Securityholders or further orders of this Court. The Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular as so amended, modified or supplemented, shall be the Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular to be submitted to Securityholders at the Meeting, as applicable, and the subject of the Arrangement Resolution.

ADJOURNMENTS AND POSTPONEMENTS

- 4. Notwithstanding the provisions of the BCBCA and the articles of Cathedra, and subject to the terms of the Arrangement Agreement, the board of directors of Cathedra (the "Board") shall be entitled to adjourn or postpone the Meeting by resolution on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders respecting such adjournment or postponement and without the need for approval of this Court. Notice of any such adjournment or postponement shall be given by press release, newspaper advertisement or notice sent to the Securityholders by one of the methods specified in paragraph 8 of this Interim Order, as determined to be the most appropriate method of communication by the Board, subject to the terms of the Arrangement Agreement.
- 5. The Record Date (as defined below) shall remain the same despite any adjournments or postponements of the Meeting.

RECORD DATE

6. The record date for determining Securityholders entitled to receive the Notice, the Information Circular (which shall include, amongst other things, a copy of the Petition, the Notice of Hearing of Petition for Final Order, and the Interim Order granted), the Plan of Arrangement and the form of proxy or voting instruction form for use by the Securityholders (collectively, the "Meeting Materials"), shall be the close of business on March 25, 2026 (the "Record Date"), as previously approved by the Board and published by Cathedra. The Record Date shall remain the same despite any adjournments or postponements of the Meeting.

NOTICE OF SPECIAL MEETING

7. The Information Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of section 290(1)(a) of the BCBCA, and Cathedra shall not be required to send to the Securityholders any other or additional statement pursuant to section 290(1)(a) of the BCBCA.
8. The Meeting Materials, in substantially the same form as the Exhibits to the Affidavit, with such deletions or additional documents as counsel for Cathedra may advise are necessary or desirable, and as are not inconsistent with the terms of the Interim Order, shall be sent:
 - (a) to registered Cathedra Shareholders as they appear on the securities register(s) of Cathedra or the records of its registrar and transfer agents as at the close of business on the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, by one or more of the following methods:
 - (i) by prepaid ordinary or air-mail addressed to such Cathedra Shareholder at his, her, or its address as it appears on the applicable securities registers of Cathedra or its registrar and transfer agent as at the Record Date;
 - (ii) by delivery in person or by courier to the addresses specified in paragraph 8(a)(i) above; or
 - (iii) by email or facsimile transmission to any such Cathedra Shareholder who identifies himself, herself or itself to the satisfaction of Cathedra (acting through its representatives), who requests such email or facsimile transmission and pays for the transmission fees in accordance with such request; and
 - (b) to registered Optionholders, Warrantholders, and RSUholders as they appear on the securities register(s) of Cathedra or the records of its registrar and transfer agents as at the close of business on the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, by one or more of the following methods:
 - (i) by prepaid ordinary or air-mail addressed to such Optionholders, Warrantholders, and/or RSUholders at his, her, or its address as it appears on the applicable

securities registers of Cathedra or its registrar and transfer agent as at the Record Date;

- (ii) by delivery in person or by courier to the addresses specified in paragraph 8(a)(i) above; or
 - (iii) by email or facsimile transmission at the email or facsimile address of such Optionholders, Warrantholders, and/or RSUholders as it appears in Cathedra's records, or to the email or facsimile address provided by said Optionholders, Warrantholders, and/or RSUholders to Cathedra if such email or facsimile address is not already in Cathedra's records.
- (c) to non-registered Cathedra Shareholders (those whose names do not appear in the securities register of Cathedra), by sending copies of the Meeting Materials to intermediaries and registered nominees to facilitate the distribution of the Meeting Materials to beneficial owners in accordance with the procedures prescribed by National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators at least three (3) business days prior to the twenty first (21th) day prior to the date of the Meeting.
9. The Meeting Materials shall be sent to the directors and auditor of Cathedra by prepaid ordinary mail or by delivery in person or by recognized courier service or by email or facsimile transmission at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery, or transmission.
 10. Substantial compliance with the delivery of the Meeting Materials as ordered herein shall constitute good and sufficient notice of the Meeting, including compliance with the requirements of section 290(1)(a) of the BCBCA, and Cathedra shall not be required to send to any Securityholder any other or additional statement pursuant to section 290(1) of the BCBCA.
 11. The sending of the Meeting Materials, which includes the Petition, Notice of Hearing of the Petition and the Interim Order in accordance with paragraph 8 of this Order shall constitute good and sufficient service of such Petition and Notice of Hearing upon all who may wish to appear in these proceedings, and no other service need be made and no other material need to be served on persons in respect of these proceedings except upon written request to the solicitors for Cathedra at their address for service set out in the Petition. In particular, service of the Petition and any supporting affidavits is dispensed with.
 12. Accidental failure of or omission by Cathedra to give notice to any one or more Securityholder or any other persons entitled thereto, or the non-receipt of such notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Cathedra (including, without limitation, any inability to use postal services) shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Cathedra, then it shall use commercially reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
 13. Cathedra shall be at liberty to give notice of this application to persons outside the jurisdiction of this Court in the manner specified herein.

14. Provided that notice of the Meeting is given and the Meeting Materials are provided to the Securityholders, and any other persons entitled thereto in compliance with this Interim Order, the requirement of section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the Meeting is waived.
15. In the event of a postal strike, lockout or event that prevents, delays or otherwise interrupts mailing of the Meeting Materials by prepaid ordinary mail (the "Postal Service Disruption") as provided for in paragraph 8 herein:
 - (a) Cathedra shall cause an advertisement (the "Advertisement") to be placed in a major daily newspaper of national circulation, stating:
 - i. the date, place, and time of the Meeting;
 - ii. the measures implemented by Cathedra to ensure delivery or transmission of proxies or other Meeting Materials by the Securityholders to Cathedra in relation to the Meeting within the required time period and at no cost to the Securityholders; and
 - iii. that the Meeting Materials are available, without charge, for review via the internet at the SEDAR+ website (www.sedarplus.ca) or for delivery to Securityholders by electronic mail or by courier upon request made to Cathedra;
 - (b) the Advertisement shall be made on or before the date upon which notice of the Meeting would otherwise be sent to the Securityholders, in the event that a Postal Service Disruption had not occurred;
 - (c) Cathedra shall, concurrently with the Advertisement, issue a press release containing the information set out in paragraph 15(a) herein and stating that the Advertisement and press release are being made in accordance with this order in lieu of prepaid ordinary mail due to the Postal Service Disruption; and
 - (d) For Forms of Proxies, Voter Information Forms, and other materials that are required to be delivered to Cathedra for the purposes of the Meeting, Cathedra shall implement measures that enable Securityholders, during the Postal Service Disruption, to effect delivery or transmission by the Cathedra Shareholders of said proxies, voter information forms, or other materials within the required period at no cost to Securityholders.

DEEMED RECEIPT OF NOTICE

16. The Meeting Materials and any amendments, modifications, updates or supplements to the Meeting Materials and any notice of adjournment or postponement of the Meeting, shall be deemed to have been received, for the purposes of this Interim Order:
 - (a) in the case of mailing pursuant to paragraph 8(a)(i) above, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
 - (b) in the case of delivery in person pursuant to paragraph 8(a)(ii) above, the day following personal delivery or, in the case of delivery by courier, one (1) business day after receipt by the courier;
 - (c) in the case of transmission by email or facsimile pursuant to paragraph 8(a)(iii) above, upon the transmission thereof;

- (d) in the case of Advertisement, at the time of publication of the Advertisement;
- (e) in the case of electronic filing on SEDAR+, upon the transmission thereof; and
- (f) in the case of beneficial Cathedra Shareholders, three (3) days after delivery thereof to intermediaries and registered nominees.

UPDATING MEETING MATERIALS

17. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated, at any time prior to the Meeting, to the Securityholders or any other persons entitled thereto, by news release, newspaper advertisement or by notice sent to the Securityholders by any of the means set forth in paragraphs 8 or 15, as determined to be the most appropriate method of communication by the Board, subject to the terms of the Arrangement Agreement.

PERMITTED ATTENDEES

18. The only persons entitled to attend the Meeting shall be:
 - (a) the Securityholders as at 5:00 p.m. (Vancouver time) on the Record Date, or their respective proxyholders;
 - (b) directors, officers, auditors and advisors of Cathedra;
 - (c) directors, officers, auditors and advisors of Sphere; and
 - (d) other persons with the prior permission of the Chair of the Meeting;
 and the only persons entitled to be represented and to vote at the Meeting shall be the Securityholders at the close of business on the Record Date, or their respective proxyholders.

SOLICITATION OF PROXIES

19. Cathedra is authorized to use the Form of Proxy (as applicable) in connection with the Meeting, in substantially the same form as is attached as Exhibit "C" to the Affidavit, subject to Cathedra's ability to insert dates and other relevant information in the final form thereof and to make other non-substantive changes and changes legal counsel advise are necessary or appropriate. Cathedra is authorized, at its expense, to solicit proxies directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose and by mail, telephone or such other form of personal or electronic communication as it may determine.
20. The procedures for the use of proxies at the Meeting and revocation of proxies shall be as set out in the Notice and the Information Circular.
21. Subject to the terms of the Arrangement Agreement, Cathedra may, in its discretion generally waive the time limits for the deposit of proxies by Securityholders if Cathedra deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair of the Meeting.

QUORUM AND VOTING

22. A quorum at the Meeting is two (2) shareholders entitled to vote at the meeting, present in person or represented by proxy.

23. At the Meeting, and in respect of the Arrangement Resolution:

- (a) each SV Shareholder whose name is entered in on the central securities register of Cathedra as at the close of business on the Record Date is entitled to one (1) vote for each SV Share registered in his/her/its name;
- (b) each MV Shareholder whose name is entered in on the central securities register of Cathedra as at the close of business on the Record Date is entitled to 152 vote for each MV Share registered in his/her/its name;
- (c) each Optionholder whose name is entered in on the central securities register of Cathedra as at the close of business on the Record Date is entitled to one (1) vote for each Cathedra Option registered in his/her/its name;
- (d) each Warrantholder whose name is entered in on the central securities register of Cathedra as at the close of business on the Record Date is entitled to one (1) vote for each Cathedra Warrant registered in his/her/its name;
- (e) each RSUholder whose name is entered in on the central securities register of Cathedra as at the close of business on the Record Date is entitled to one (1) vote for each Cathedra RSU registered in his/her/its name;

24. The requisite approval to pass the Arrangement Resolution shall be:

- (a) the affirmative vote of 66⅔% of the votes cast by Cathedra Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting; and
- (b) the affirmative vote of 66⅔% of the votes cast by Securityholders, voting together as a single class, present in person or represented by proxy at the Meeting

SCRUTINEER

25. The scrutineer for the Meeting shall be Computershare Trust Company of Canada (acting through its representatives for that purpose).

SHAREHOLDER DISSENT RIGHTS

26. Each registered Cathedra Shareholder is granted rights to dissent (the "Dissent Rights") in respect of the Arrangement Resolution in accordance with sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, this Interim Order and the Final Order, including that:

- (a) a registered Cathedra Shareholder who wishes to dissent (a "Dissenting Cathedra Shareholder") must deliver a written notice of dissent (a "Notice of Dissent") to Cathedra at 170-422 Richards Street, Vancouver, British Columbia, V6B 2Z4 Attn: Joel Block to be received by Cathedra no later than 5:00 pm (Vancouver time) on May 13, 2026, or if the Meeting is adjourned or postponed, the date that is two business days preceding the date of the reconvened or postponed Meeting;
- (b) a Notice of Dissent must specify the name and address of the Dissenting Cathedra Shareholder, the number of Cathedra Shares in respect of which the Notice of Dissent is being given (the "Notice Shares") and whichever of the following is applicable:
 - (i) if the Notice Shares constitute all of the Cathedra Shares of which the Dissenting Cathedra Shareholder is both the registered and beneficial owner and the

Dissenting Cathedra Shareholder holds no other Cathedra Shares as beneficial owner, a statement to that effect;

- (ii) if the Notice Shares constitute all of the Cathedra Shares of which the Dissenting Cathedra Shareholder is both the registered and beneficial owner but the Dissenting Cathedra Shareholder owns additional Cathedra Shares beneficially, a statement to that effect and the names of the registered Cathedra Shareholders of such additional Cathedra Shares, the number of such additional Cathedra Shares held by each of those registered owners and a statement that Notices of Dissent are being, or have been, sent with respect to all such additional Cathedra Shares; or
 - (iii) if the Dissent Rights are being exercised by a registered Cathedra Shareholder on behalf of a non-registered Cathedra Shareholder who is not the Dissenting Cathedra Shareholder, a statement to that effect and the name and address of the non-registered Cathedra Shareholder and a statement that the registered Cathedra Shareholder is dissenting with respect to all Cathedra Shares of the non-registered Cathedra Shareholder that are registered in such registered Cathedra Shareholder's name;
- (c) a Dissenting Cathedra Shareholder who has delivered a Notice of Dissent and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Cathedra Shareholder. A Cathedra Shareholder need not vote its Cathedra Shares against the Arrangement Resolution in order to dissent. A vote against the Arrangement Resolution, whether in person or by proxy, does not constitute a Notice of Dissent;
 - (d) Cathedra is required, promptly after the later of: (i) the date on which it forms the intention to proceed with the Arrangement, and (ii) the date on which the Notice of Dissent was received to notify each Dissenting Cathedra Shareholder of its intention to act on the Arrangement Resolution;
 - (e) if the Arrangement Resolution is approved and if Cathedra notifies the Dissenting Cathedra Shareholders of its intention to act upon the Arrangement Resolution, the Dissenting Cathedra Shareholder is then required, within one month after Cathedra gives such notice, to send to Cathedra the certificates representing the Notice Shares if such shares are certificated, and a written statement that requires Cathedra to purchase all of the Notice Shares;
 - (f) if the Dissent Right is being exercised by the Dissenting Cathedra Shareholder on behalf of a non-registered Cathedra Shareholder who is not the Dissenting Cathedra Shareholder, a statement signed by the non-registered Cathedra Shareholder is required which sets out whether the non-registered Cathedra Shareholder is the beneficial owner of other Cathedra Shares and, if so, (i) the names of the registered owners of such Cathedra Shares; (ii) the number of such Cathedra Shares; and (iii) that dissent is being exercised in respect of all of such Cathedra Shares. Upon delivery of these documents, the Dissenting Cathedra Shareholder is deemed to have sold the Notice Shares and Cathedra is deemed to have purchased them in consideration for a debt claim against Cathedra for the value of the Notice Shares. Once the Dissenting Cathedra Shareholder has done this, the Dissenting Cathedra Shareholder may not vote or exercise any shareholder rights in respect of the Notice Shares;

- (g) the Dissenting Cathedra Shareholder and Cathedra may agree on the payout value of the Notice Shares; otherwise, either party may apply to the Court to determine the payout value of the Notice Shares or apply for an order that value be established by arbitration or by reference to the registrar or a referee of the Court. After a determination of the payout value of the Notice Shares, and if the Arrangement is completed, Cathedra must then promptly pay that amount to the Dissenting Cathedra Shareholder to satisfy the debt claim of such Dissenting Cathedra Shareholder against Cathedra arising from the deemed purchase of the Notice Shares by Cathedra. If a Dissenting Cathedra Shareholder is ultimately not entitled, for any reason, to be paid fair value for the Notice Shares, such Dissenting Cathedra Shareholder will be deemed to have participated in the Arrangement on the same basis as a Cathedra Shareholder who has not exercised Dissent Rights and shall be entitled to receive only the consideration that such Cathedra Shareholder would have received pursuant to the Arrangement if such Cathedra Shareholder had not exercised its Dissent Rights; and
 - (h) a Dissenting Cathedra Shareholder loses his, her or its Dissent Rights if, before full payment is made for the Notice Shares, any of the following events occurs: Cathedra abandons the corporate action that has given right to the Dissent Right (namely, the Arrangement), the Arrangement Resolution does not pass or is revoked; the Arrangement will not proceed; a court permanently enjoins the Arrangement, or the Dissenting Cathedra Shareholder withdraws the Notice of Dissent with Cathedra's consent. When these events occur, Cathedra must return the share certificates, if applicable, to the Dissenting Cathedra Shareholder and the Dissenting Cathedra Shareholder regains the ability to vote and exercise shareholder rights.
27. Notice to the Cathedra Shareholders of their Dissent Rights with respect to the Arrangement Resolution will be given by including information with respect to the Dissent Rights in the Information Circular to be sent to the Cathedra Shareholders with respect to the Arrangement.
 28. Subject to further order of this Court, the rights available to the Cathedra Shareholders under the BCBCA and the Plan of Arrangement to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the Cathedra Shareholders with respect to the Arrangement.

APPLICATION FOR FINAL ORDER

29. Upon the approval by the Securityholders of the Arrangement Resolution, in the manner set forth in this Interim Order, Cathedra may apply to this Court (the "Application") for an Order:
 - (a) pursuant to section 291(4)(a) of the BCBCA approving the Arrangement; and
 - (b) pursuant to section 291(4)(c) of the BCBCA declaring that the Arrangement, and the distribution of securities to be affected by the Arrangement, is substantively and procedurally fair and reasonable to the Cathedra Securityholders,
 (collectively the "Final Order"),

and the hearing of the Application will be held on May 20, 2026, before the presiding Judge in Chambers at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the Application can be heard or at such other date and time as this Court may direct.

30. The form of Notice of final hearing attached as Exhibit "B" to the Affidavit is hereby approved as the form of notice for the hearing of the application for the Final Order.
31. The Petitioner has advised the court that:
- (a) section 3(a)(10) of the United States *Securities Act of 1933* (the "1933 Act"), as amended, provides an exemption from registration for the securities issued in exchange for one or more bona fide outstanding securities, claims or property interests pursuant to an arrangement where the terms and conditions of such issuance and exchange are approved by any court (including this Court), after a hearing on the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear and have received adequate and timely notice thereof;
 - (b) the Petitioner intends to use the Final Order of this Court approving the Arrangement, and declaring the fairness of the Arrangement, including the terms and conditions hereof and the proposed issuance and exchanges of securities contemplated therein, as a basis for an exemption from registration under the 1933 Act of the issuance of securities contemplated under the Arrangement; and
 - (c) should the Court make the Final Order approving the Arrangement, the issuance of the Consideration Shares, Replacement Options, Replacement Warrants and Replacement RSUs (each as defined in the Arrangement Agreement) will be exempt from registration under the 1933 Act pursuant to section 3(a)(10) thereof.
32. Any Securityholder who wishes to appear or be represented and/or present evidence or arguments at the hearing of the application for the Final Order must:
- (a) file a Response to Petition, in the form prescribed by the Supreme Court Civil Rules, together with any evidence or material which is to be presented to the Court at the hearing of the Application; and
 - (b) deliver the filed Response to Petition together with a copy of any evidence or material which is to be presented to the Court at the hearing of the Application, to Cathedra's counsel at:

DWF (trading name for WT BCA LLP)
2400 – 200 Granville Street, Vancouver, BC V6C 1S4
Attention: Lauren Gnanasihmany & Patrick Sullivan

by or before 4:00 pm (Vancouver time) on May 15, 2026
33. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned date.
34. In the event that the hearing of the Application is adjourned, then only those persons who filed and delivered a Response to Petition in accordance with paragraph 32 need be provided with notice of the adjourned hearing date.
35. Subject to other provisions in this Interim Order, no material other than that contained in the Information Circular need be served on any persons in respect of these proceedings and, in particular, service of the Petition herein and the accompanying Affidavit and additional affidavits as may be filed is dispensed with.

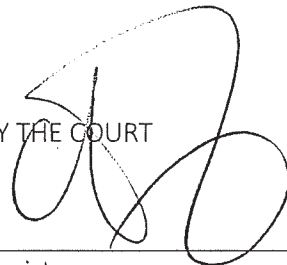
VARIANCE

36. Cathedra shall be entitled, at any time, to apply to vary this Interim Order.
37. Rules 8-1 and 16-1(8) – (12) will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.
38. Cathedra shall, and hereby does, have liberty to apply for such further orders as may be appropriate.
39. To the extent of any inconsistency or discrepancy between this Interim Order and the Information Circular, the BCBCA, applicable securities laws or the articles of Cathedra, this Interim Order will govern.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Lawyer for the Petitioner,
Cathedra Bitcoin Inc.
Lawyer: Lauren Gnanasihmany


BY THE COURT

Registrar



APPENDIX "D"
PETITION AND NOTICE OF HEARING OF PETITION



1

SE262310

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C. 2002,
C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
CATHEDRA BITCOIN INC., ITS SECURITYHOLDERS, AND SPHERE 3D CORP.

CATHEDRA BITCOIN INC.

PETITIONER

PETITION TO THE COURT

ON NOTICE TO: This petition is without notice.

The address of the registry is:

800 Smithe Street
Vancouver, BC V6Z 2E1

The petitioner estimates that the hearing of the petition will take 15 minutes.

- ☐ This matter is an application for judicial review.
- ☒ This matter is not an application for judicial review.

This proceeding is brought for the relief set out in Part 1 below, by

- ☒ Cathedra Bitcoin Inc. (the petitioner)

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner(s)
- (i) 2 copies of the filed response to petition, and
- (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner(s),

- (c) if you reside anywhere within Canada, within 21 days after the date on which a copy of the filed petition was served on you,
- (d) if you reside in the United States of America, within 35 days after the date on which a copy of the filed petition was served on you,
- (e) if you reside elsewhere, within 49 days after the date on which a copy of the filed petition was served on you, or
- (f) if the time for response has been set by order of the court, within that time.

(1)	The address of the registry is:	800 Smithe Street Vancouver, BC V6Z 2E1
(2)	The ADDRESS FOR SERVICE of the petitioner(s) is:	DWF (trading name of WT BCA LLP) 2400 - 200 Granville St. Vancouver, BC V6C 1S4 Attention: Nicole Chang & Lauren Gnanasiamany
	Fax number address for service (if any) of the petitioner(s):	604-682-5217
	E-mail address for service (if any) of the petitioner(s):	Nicole.chang@dwfgroup.ca Lauren.Gnanasiamany@dwfgroup.ca
(3)	The name and office address of the petitioner's(s') lawyer is:	DWF (trading name of WT BCA LLP) 2400 - 200 Granville St. Vancouver, BC V6C 1S4 Attention: Nicole Chang & Lauren Gnanasiamany

CLAIM OF THE PETITIONER

Part 1: ORDER(S) SOUGHT

The Petitioner, Cathedra Bitcoin Inc. ("**Cathedra**"), applies to this Court pursuant to sections 186, 288 to 297 of the Business Corporations Act, S.B.C. 2002, c. 57, as amended, (the "BCBCA"), Rules 1-2(4), 2-1(2)(b), 4-4, 4-5, 8-1 and 16-1 of the Supreme Court Civil Rules for:

1. An *ex parte* interim order (the “**Interim Order**”) substantially in the form attached as Schedule “A” to this Petition in connection with an arrangement (the “**Arrangement**”) involving Cathedra, Sphere 3D Corp. (“**Sphere**”), S3D Acquisition Corp., a wholly-owned subsidiary of Sphere (“**Amalco Sub**”), the holders (the “**SV Shareholders**”) of subordinate voting shares of Cathedra (the “**SV Shares**”), the holders (the “**MV Shareholders**” and with the SV Shareholders, the “**Cathedra Shareholders**”) of multiple voting shares of Cathedra (“**MV Shares**”), the holders (the “**Optionholders**”) of options to purchase SV Shares (“**Cathedra Options**”), the holders (“**Warrantholders**”) of warrants to purchase SV Shares (“**Cathedra Warrants**”), and the holders (“**RSUholders**” and together with the Cathedra Shareholders, Optionholders, and Warrantholders, the “**Securityholders**”) of restricted share units to acquire SV Shares (“**Cathedra RSUs**”), as proposed by the Petitioner in the plan of arrangement (the “**Plan of Arrangement**”) substantially in the form attached as Appendix “B” of the management information circular (the “**Circular**”) of Cathedra, a draft of which is attached as Exhibit “A” to Affidavit #1 of Inar Kamaletdinov, made March 30, 2026 (“**Affidavit #1**”) for:
 - (a) The convening and conduct by the Petitioner, Cathedra, of a special meeting (the “**Meeting**”) of the Securityholders to be held at 9:00 am (Vancouver Time) on May 15, 2026 at 170-422 Richards Street, Vancouver, British Columbia, BC V6Z 2T8 subject to any adjournment, to consider, *inter alia*, and if deemed advisable, pass with or without amendment, a special resolution (the “**Arrangement Resolution**”) authorizing and approving, with or without variation, the proposed Arrangement under the provisions of Division 5 of Part 9 of the BCBCA and such other business, including amendments to the foregoing, as may properly come before the Meeting, and
 - (b) The giving of notice of the Meeting and provision of materials regarding the Arrangement to the Securityholders.
2. A final order (the “**Final Order**”):
 - (a) declaring that the Arrangement, as more particularly described in the Plan of Arrangement, including the terms and conditions thereof and the proposed issuance and exchange of securities contemplated therein, is procedurally and substantively fair and reasonable to those who will receive securities in the exchange, and
 - (b) approving the Arrangement.
3. Such further and other relief as the Petitioner may advise and the Court may deem just.

Part 2: FACTUAL BASIS

1. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the draft Circular attached as Exhibit “A” to Affidavit #1.

Cathedra

2. Cathedra develops and operates digital infrastructure assets across North America with the goal of maximizing its per-share bitcoin holdings. Cathedra hosts bitcoin mining clients across its portfolio of

three data centers in Tennessee and Kentucky. Cathedra also operates a fleet of proprietary bitcoin mining machines at its own and third-party data centers.

3. Cathedra was incorporated under the Business Corporations Act (Ontario) on July 13, 2011, and was subsequently continued under the laws of the Province of British Columbia in 2018. Cathedra has undergone several name changes, before adopting its current name, “Cathedra Bitcoin Inc.,” on December 8, 2021.
4. Cathedra has a registered and records office located at 170 – 422 Richards Street, Vancouver, British Columbia, Canada, V6B 2Z4. The SV Shares trade on the TSX Venture Exchange under the symbol CBIT and on the OTCQB Venture Market under the symbol CBTTF.
5. The authorized share capital of Cathedra consists of an unlimited number of SV Shares without par value and an unlimited number of MV Shares without par value.
6. As of March 25, 2026 (the “**Record Date**”), there were:
 - (a) 8,425,527 SV Shares issued and outstanding;
 - (b) 208,446 MV Shares issued and outstanding. As per the Articles of Cathedra, each MV Share holders is entitled to 152 votes at any meeting of Shareholders or Securityholders and for the purposes of converting the MV Shares to SV Shares, each MV Share represents 100 SV Shares.
 - (c) 724,793 Cathedra Options issued and outstanding;
 - (d) 1,298,087 Cathedra Warrants issued and outstanding;
 - (e) 2,949,334 Cathedra RSUs issued and outstanding.

Sphere

7. Sphere is a Bitcoin miner, growing its digital asset mining operation through the capital-efficient procurement of next-generation mining equipment and partnering with data center operators. Sphere obtains Bitcoin as a result of its mining operations, and when necessary, Sphere sells Bitcoin to support its operations and strategic growth. Sphere mines Bitcoin in states which do not have any material state-specific regulatory restrictions on the mining of Bitcoin.
8. Sphere is a company incorporated under the *Business Corporations Act* (Ontario) and is a reporting issuer in BC, Alberta, and Ontario. The common shares of Sphere (the “**Sphere Common Shares**”) are listed on the NASDAQ under the symbol “ANY”.
9. The registered and records office of Sphere and its head office is at 243 Tresser Blvd, 17th Floor, Stamford, CT, United States of America 06901.

The Arrangement

10. Cathedra, Sphere and Amalco Sub, have entered into an arrangement agreement dated March 5, 2026, (the "**Arrangement Agreement**"), pursuant to which Sphere will, *inter alia*, acquire all of the issued and outstanding SV Shares and MVS Shares (together "**Cathedra Shares**") pursuant to the Plan of Arrangement under section 288 of the BCBCA (the "**Arrangement**").
11. The Arrangement will be structured as a three-cornered amalgamation in which Cathedra will amalgamate with Amalco Sub, formed solely for the purpose of facilitating the Arrangement, which entity will carry on as a wholly-owned subsidiary of Sphere ("**Amalco**"). Sphere following the completion of the Arrangement (the "**Combined Company**") will carry on the combined businesses of Sphere and Cathedra. As described more particularly below, pursuant to the terms of the Arrangement Agreement, Shareholders will receive Sphere Common Shares and, in certain cases, Sphere Series I Shares in exchange for their Cathedra Shares in accordance with the applicable exchange ratios set out in the Plan of Arrangement. The Combined Company is expected to retain Sphere's name and listing on NASDAQ under the symbol "ANY".
12. Prior to the Effective Time, Sphere shall have filed articles of amendment to create the Sphere Series I Shares and to provide for the special rights and restrictions attaching to the Sphere Series I Shares set out in Appendix III to Schedule A of the Plan of Arrangement.
13. Commencing at the Effective Time and provided that the terms and conditions of the Arrangement Agreement have been met or waived, the following events or transactions will occur sequentially unless otherwise noted and will be deemed to occur without any further act or formality required on the part of any person, except as expressly provided herein.
14. At the Effective Time:
 - (a) each Cathedra Share held by a Dissenting Shareholder who is ultimately determined to be entitled to be paid the fair value of the Cathedra Shares in respect of which such Dissenting Shareholder has exercised Dissent Rights will be, and will be deemed to be, transferred by the holder thereof, without any further act or formality on its part, to Cathedra (free and clear of all Encumbrances) and such Dissenting Shareholder will cease to be the holder thereof or have any rights as a holder in respect of such Dissenting Share other than the right to be paid the fair value of such Dissenting Share determined and payable in accordance with Article 4 hereof; and
 - (b) (i) the name of each Dissenting Shareholder will be removed from the register of the Cathedra Shares and such Dissenting Shares will be automatically cancelled as of the Effective Time;
15. Immediately after the steps in paragraph 14 occur, Cathedra and Amalco Sub will amalgamate (the "**Amalgamation**") pursuant to the provisions of Division 3 of Part 9 of the Act and their continuation as Amalco will become irrevocable, which corporation will be a wholly-owned subsidiary of Sphere, with the effect that:
 - (a) except as set out in the Plan of Arrangement, the property of each of Cathedra and Amalco Sub will continue to be the property of Amalco, and, without limiting the provisions hereof,

all rights of creditors or others will be unimpaired by such amalgamation, and all obligations of Cathedra and Amalco Sub whether arising by contract or otherwise, may be enforced against Amalco to the same extent as if such obligations had been incurred or contracted by it;

- (b) Amalco will continue to be liable for the obligations of each of Cathedra and Amalco Sub;
- (c) all rights, contracts, permits and interests of each of Cathedra and Amalco Sub will continue as rights, contracts, permits and interests of Amalco and, for greater certainty, the Amalgamation will not constitute a transfer or assignment of the rights or obligations of either of Cathedra and Amalco Sub under any such rights, contracts, permits and interests;
- (d) any existing cause of action, claim or liability to prosecution with respect to either or both of Cathedra and Amalco Sub will be unaffected;
- (e) any civil, criminal or administrative action or proceeding pending by or against any of Cathedra and Amalco Sub may be continued to be prosecuted by or against Amalco;
- (f) any conviction against, or ruling, order or judgment in favour of or against, any of Cathedra and Amalco Sub may be enforced by or against Amalco;
- (g) the notice of articles generated upon filing the Amalgamation Application will be the Notice of Articles of Amalco and the Certificate of Amalgamation will evidence recognition of the corporate existence of Amalco; and
- (h) the articles of Amalco will be in substantially the form attached as Appendix II to Schedule A of the Plan of Arrangement;

16. At the same time as the steps in paragraph 15 occur:

- (a) each registered holder of Cathedra Shares will exchange their Cathedra Shares for Consideration Shares, and in respect of which Cathedra Shares:
 - i. subject to paragraph 17 below, each registered holder of SV Shares (other than the Dissenting Shareholders) will receive that number of fully paid and non-assessable Sphere Common Shares equal to the product determined by multiplying the number of SV Shares held by such holder by an exchange ratio of 0.123014 Sphere Common Share per SV Share (the “SV Exchange Ratio”)
 - ii. subject to paragraph 17 below, each registered holder of MV Shares (other than the Dissenting Shareholders) will receive that number of fully paid and non-assessable Sphere Common Shares equal to the product determined by multiplying the number of MV Shares held by such holder by an exchange ratio of 12.3014 Sphere Common Share per MV Share (the “MVS Exchange Ratio”). The MVS Exchange Ratio recognizes the 100:1 conversion ratio between MV Shares and SV Shares.

- iii. the registered holder of such Cathedra Shares will cease to be the holder of such Cathedra Shares and will be deemed to be the registered holder of the Consideration Shares to which they are entitled;
 - iv. all such Cathedra Shares will be cancelled and the registered holder's name will be removed from the securities register of Cathedra with respect to such Cathedra Shares; and
 - v. the registered holder of such Cathedra Shares will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such transfer;
- (b) Sphere will receive one (1) fully paid and non-assessable Amalco Share for each one (1) share in Amalco Sub ("**Subco Share**") held by Sphere, following which all such Subco Shares will be cancelled;
- (c) Sphere will add an amount to the paid-up capital account maintained in respect of the Sphere Common Shares equal to the aggregate paid-up capital for income tax purposes of the Cathedra Shares immediately prior to the Effective Time (less the paid-up capital of any Cathedra Shares held by Dissenting Shareholders who do not exchange their Cathedra Shares for Consideration Shares pursuant to the Arrangement); and
- (d) Amalco will add an amount to the paid-up capital account maintained in respect of the Amalco Shares such that the paid-up capital of the Amalco Shares will be equal to the aggregate paid-up capital for income tax purposes of the Subco Shares immediately prior to the Effective Time;
- (e) each Cathedra Warrant outstanding immediately prior to the Effective Time, shall be exchanged for a warrant issued by Sphere (a "**Replacement Warrant**") to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of SV Shares issuable upon the exercise of such Cathedra Warrant immediately prior to the Effective Time multiplied by (B) the SV Exchange Ratio. The exercise price per Sphere Common Share subject to any such Replacement Warrant shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (A) the exercise price per SV Share issuable upon exercise of such Cathedra Warrant immediately before the Effective Time divided by (B) the SV Exchange Ratio. No Replacement Warrant may be exercised in the United States or by or on behalf of a U.S. Person unless an exemption from registration under the U.S. Securities Act and applicable state securities laws is available;
- (f) each Cathedra Option outstanding immediately prior to the Effective Time, whether or not vested, shall be exchanged for an option issued by Sphere (a "**Replacement Option**") under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of SV Shares subject to such Cathedra Option immediately prior to the Effective Time multiplied by (B) the SV Exchange Ratio. The exercise price per Sphere Common Share subject to any

such Replacement Option shall be the amount (rounded up to the nearest one-hundredth of a cent) equal to the quotient of (A) the exercise price per SV Share subject to such Cathedra Option immediately before the Effective Time divided by (B) the SV Exchange Ratio. Notwithstanding the foregoing, if required, the exercise price of each Replacement Option will be increased such that (A) the excess (if any) of the aggregate fair market value of the Sphere Common Shares issuable under the Replacement Option immediately following the exchange over (B) the aggregate exercise price of such Replacement Option otherwise determined does not exceed (C) the excess (if any) of the aggregate fair market value of the SV Shares issuable under the corresponding Cathedra Option immediately before the exchange over (D) the aggregate exercise price of such Cathedra Option, such that the exchange complies with the requirements of paragraph 7(1.4)(c) of the Tax Act and section 1.409A-1(b)(5)(v)(D) of the treasury regulations promulgated under the Internal Revenue Code, and any such adjustment will be made nunc pro tunc. All terms and conditions of the Replacement Options (other than the term to expiry), including the terms, conditions and manner of exercising shall be governed by the equity incentive plan of Sphere, subject to that any change in such terms, conditions and manner of exercising, shall not be, in the aggregate and viewed as a whole, economically prejudicial to the holders of such Cathedra Options, and any document evidencing a Cathedra Option shall thereafter evidence and be deemed to evidence such Replacement Option;

- (g) each unvested Cathedra RSU, outstanding immediately prior to the Effective Time held by Joel Block shall be exchanged for a restricted share unit issued by Sphere (a "**Replacement RSU**"), under the equity incentive plan of Sphere, to acquire such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of SV Shares subject to such Cathedra RSU immediately prior to the Effective Time multiplied by (B) the SV Exchange Ratio. All terms and conditions of a Replacement RSU, including the term to expiry, vesting, conditions to and manner of exercising, shall reflect the same material economic and vesting terms of the applicable unvested Cathedra RSU immediately prior to the Effective Time (aside from adjustments to reflect the SV Exchange Ratio) and shall be governed by the equity incentive plan of Sphere and the applicable Replacement RSU award agreement;
- (h) each Cathedra RSU which is not held by Joel Block (the "**Accelerated Cathedra RSU**") and which is outstanding immediately prior to the Effective Time, shall be exchanged for such number (rounded down to the nearest whole number) of Sphere Common Shares equal to the product of: (A) the number of SV Shares subject to such Accelerated Cathedra RSU immediately prior to the Effective Time multiplied by (B) the SV Exchange Ratio; and
- (i) each holder of Cathedra Shares, Cathedra Warrants, Cathedra Options and Cathedra RSUs outstanding immediately prior to the Effective Time, with respect to each step set out above applicable to such holder, will be deemed, at the time such step occurs, to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer all Cathedra Shares, Cathedra Warrants, Cathedra Options and Cathedra RSUs held by such holder in accordance with such step.

17. Notwithstanding anything to the contrary in the Plan of Arrangement or the Agreement, the Parties agree that, to the extent that, as of immediately following the Effective Time, the aggregate number of Sphere Common Shares that would otherwise be issuable to any of the Key Holders, as defined in the Circular, or any entity controlled or directed by such Key Holder, pursuant to the Arrangement would result in such Key Holder beneficially owning, together with such Key Holder's affiliates and any persons acting jointly or in concert with such Key Holder, more than seven percent (7%) of the then-outstanding Sphere Common Shares calculated on a non-diluted basis (the "**Ownership Cap**"), such Key Holder shall instead receive, in lieu of the number of Sphere Common Shares in excess of the Ownership Cap, an equivalent number of Sphere Series I Shares. For greater certainty, the portion of the consideration up to the Ownership Cap shall be satisfied in Sphere Common Shares and only the portion exceeding the Ownership Cap shall be satisfied in Sphere Series I Shares, and such issuance shall be effected as part of the issuance of the Consideration Shares under the Arrangement. For purposes of determining compliance with the Ownership Cap, the number of "then-outstanding" Sphere Common Shares shall be calculated on a non-diluted basis immediately following the Effective Time after giving effect to the issuance of Consideration Shares pursuant to the Arrangement. Any calculation mechanics necessary to implement the foregoing, including rounding and withholding, shall be applied in a manner consistent with the Plan of Arrangement, including Section 3.2 (No Fractional Shares) and Article 5 (Delivery of Consideration), mutatis mutandis.

No Creditor Impact

18. The Arrangement does not contemplate a compromise of any debt or debt instruments of Cathedra and no creditor of Cathedra will be materially affected by the Arrangement.

Background to the Arrangement

19. The entering into of the Arrangement Agreement was the result of arm's length negotiations conducted among representatives of Cathedra, Sphere, and their respective financial and legal advisors. The following is a summary of the material events, meetings, negotiations and discussions between the parties that preceded the public announcement of the execution of the Arrangement Agreement on March 5, 2026.
20. Sphere and Cathedra have each operated within the digital asset infrastructure sector for several years and, prior to the events described below, were familiar with one another through industry interactions and prior strategic discussions.
21. Cathedra is a company that develops and operates power and digital infrastructure assets across North America and hosts bitcoin mining clients across its portfolio of data centers in Tennessee and Kentucky, totaling 45 megawatts of capacity. In late October 2025, the Company completed construction of a new 15-megawatt data center in Kentucky, increasing its power capacity by 50%. Cathedra also operates a fleet of proprietary bitcoin mining machines at its own and third-party data centers, producing approximately 400 PH/s of hash rate.
22. Sphere is a company existing under the laws of the Province of Ontario whose common shares are listed and posted for trading on NASDAQ. Sphere's authorized capital consists of an unlimited number of common shares and various series of preferred shares.

23. On August 3, 2023, Cathedra and Sphere entered into a confidentiality agreement in connection with preliminary discussions regarding a potential business combination.
24. During the first half of 2025, Sphere and Cathedra engaged in preliminary discussions regarding a potential business combination. Following evaluation of such opportunity, the parties ultimately determined not to pursue a transaction at that time and ceased discussions.
25. Following the appointment of new leadership at Cathedra, the parties re-engaged and began exploring potential areas of operational collaboration, particularly with respect to hosting arrangements. These discussions progressed during the second half of 2025 and ultimately resulted in the execution of a hosting agreement in the fourth quarter of 2025.
26. Beginning in mid-November 2025, Sphere and Cathedra commenced more substantive discussions regarding a potential strategic transaction. These discussions were focused on evaluating potential structures that could enhance operational scale, improve capital efficiency, and better position the combined organization within the evolving digital asset ecosystem.
27. In January 2026, following a joint kickoff call that included representatives from management, legal counsel, and financial advisors of both companies, Sphere and Cathedra granted each other access to confidential information via virtual data rooms to facilitate mutual due diligence.
28. On January 7, 2026, Sphere and Cathedra entered into a non-binding letter of intent (the “LOI”) outlining the principal terms of a potential business combination.
29. Following execution of the LOI, the parties engaged in extensive due diligence and transaction structuring. During this period, the companies and their respective advisors held numerous meetings and discussions, including sessions involving senior management, legal counsel, financial advisors, and independent financial advisors engaged to provide fairness opinions. These discussions addressed, among other matters, transaction structure, valuation, governance, financing considerations, and potential risks associated with the proposed transaction.
30. From January 20, 2026 to March 4, 2026, Cathedra and Sphere exchanged various drafts of the Arrangement Agreement and ancillary documents, and the respective legal and financial advisors of Cathedra and Sphere proceeded to finalize the Arrangement Agreement and ancillary documents.
31. On February 24, 2026, the Board met to receive an oral version of the Fairness Opinion. Evans & Evans stated that, subject to the assumptions, limitations and qualifications stated in their presentation, Evans & Evans is of the opinion that, as of February 24, 2026, the Consideration Shares to be received by the Cathedra Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Cathedra Shareholders. Subsequent to the oral version of the Fairness Opinion, the Fairness Opinion was finalized on March 5, 2026, where Evans & Evans stated that, subject to the assumptions, limitations and qualifications stated in their presentation, Evans & Evans is of the opinion that, as of March 5, 2026, the Consideration Shares to be received by the Cathedra Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Cathedra Shareholders.

32. After careful consideration, including consultation with financial and legal advisors, consideration of the Fairness Opinion and its own deliberations, the Board unanimously determined that the Arrangement is in the best interests of Cathedra and is fair to Cathedra Securityholders, and to recommend to the Cathedra Securityholders that they vote in favour of the Arrangement.
33. Throughout this process, Sphere's board of directors was regularly updated regarding the status of discussions with Cathedra, as well as other potential strategic and M&A opportunities available to the company. Following multiple meetings and consideration of the proposed transaction, including input from management and advisors, Sphere's board of directors approved the transaction on March 5, 2026.
34. On March 5, 2026, after extensive negotiations and due diligence, Cathedra, Sphere and Amalco Sub entered into the Arrangement Agreement, pursuant to which Sphere agreed to acquire all of the issued and outstanding Cathedra Shares by way of a plan of arrangement under section 288 of the Business Corporations Act (British Columbia). The Arrangement Agreement was announced following the closing of the markets on March 5, 2026. See below under the heading "The Arrangement Agreement".
35. In connection with the Arrangement Agreement, each of the directors and senior officers of Cathedra entered into voting support agreements in favour of Sphere, pursuant to which they agreed to vote any securities of Cathedra over which they exercise control or direction in favour of the Arrangement Resolution.
36. Each of the directors and senior officers of Sphere entered into voting support agreements in favour of Cathedra, pursuant to which they agreed to vote any securities of Sphere over which they exercise control or direction in favour of the Sphere Resolution.
37. Upon completion of the Arrangement, the Sphere Board is expected to be comprised of five members: Tim Hanley (Chairman of the Board, independent director), Joel Block, Marcus Dent (independent director), Kurt Kalbfleisch and Nicholas Gates (independent director). Joel Block is expected to be appointed as Chief Executive Officer of Sphere effective as of the Effective Time.

Reasons and Support for the Arrangement

38. Cathedra has reviewed the terms and conditions of the proposed Arrangement and has concluded that the Arrangement is fair and reasonable to the Securityholders and in the best interests of Cathedra. In arriving at this conclusion, the Board considered, among other matters:
 - (j) *Holdings in a Larger and More Liquid Company.* The Arrangement will offer Securityholders the opportunity to participate in the future potential of Sphere, a company which has greater analyst coverage and share liquidity than currently enjoyed by Cathedra. Cathedra Shareholders will hold approximately 49% of the issued and outstanding Sphere Common Shares upon completion of the Arrangement on a partially-diluted basis. Sphere is expected to have an enhanced ability to raise capital, increased trading liquidity, a broader shareholder base and sell-side research coverage.

- (k) *Expected Strategic Benefits.* The Parties expect that the Transaction may provide certain strategic benefits, including:
- vi. Increased scale and U.S. presence: The Combined Company is expected to operate a portfolio of approximately 53 MW of power capacity across data centers in Iowa, Kentucky and Tennessee.
 - vii. Potential expansion opportunities: The Combined Company may evaluate opportunities to expand into adjacent high-performance compute and infrastructure applications, leveraging existing power relationships and sites.
 - viii. Diversified operations: The integration of Sphere's mining fleet with Cathedra's data center operations is expected to result in a mix of proprietary mining and third-party hosting activities.
 - ix. Development pipeline and access to capital: The Combined Company is expected to have access to a pipeline of potential expansion opportunities and may benefit from enhanced access to capital markets.
 - x. Management continuity: Certain members of the existing management teams of Cathedra and Sphere are expected to continue with the Combined Company, including Joel Block as Chief Executive Officer and Kurt Kalbfleisch as Chief Financial Officer.
- (l) *Financial Condition and Prospects.* The Board considered the risks and potential rewards associated with Cathedra continuing to execute its business and strategic plan as an independent entity, as an alternative to the Arrangement, and that Sphere will be better positioned to pursue a growth and value maximizing strategy as compared to Cathedra on a standalone basis, as a result of Sphere's larger market capitalization, NASDAQ listing, increased expertise, increased financial capacity and enhanced access to capital over the long term and the likelihood of increased investor interest and access to business development opportunities due to Sphere's larger market presence.
- (m) *Terms of the Arrangement Agreement.* The Arrangement Agreement is the result of a comprehensive arm's length negotiation process with Sphere that was undertaken by the Company with the assistance of legal and financial advisors. The Arrangement Agreement includes terms and conditions that are reasonable in the judgment of the Board, including the fact that the Board maintains the ability to consider and respond, in accordance with the Arrangement Agreement and the Board's fiduciary duties, to an Acquisition Proposal that constitutes, or would reasonably be expected to constitute or lead to, a Superior Proposal.
- (n) *Fairness Opinion.* The Board considered the Fairness Opinion which stated to the effect that, as of March 5, 2026, subject to the assumptions, limitations and qualifications contained therein, the Arrangement is fair, from a financial point of view to the Cathedra Shareholders.

- (o) *Due Diligence.* The Company conducted comprehensive due diligence review and investigations of Sphere prior to entering the Arrangement Agreement and found the results of their due diligence review to be satisfactory.
- (p) *Approval of Securityholders and the Court are required.* The following required approvals protect the rights of Securityholders: (i) the Arrangement must be approved by at least 66⅔% of the votes cast on the Arrangement Resolution by holders of SV Shares and the holders of Cathedra MV Shares present in person or by proxy at the Meeting voting together as a single class, with each Common Share entitling the holder thereof to one vote per Common Share, and each MV Share entitling the holder thereof to 152 votes per MV Share; and 66⅔% of the votes cast on the Arrangement Resolution by all Securityholders, present in person or by proxy at the Cathedra Meeting voting together as a single class; and (ii) the Arrangement must also be sanctioned by the Court, which will consider the fairness of the Arrangement to Securityholders.
- (q) *Dissent Rights.* Registered Cathedra Shareholders who oppose the Arrangement may, on strict compliance with the Dissent Procedures, exercise their Dissent Rights and receive the fair value of the Dissent Shares.

Interests of Certain Persons

39. As of the Record Date, the directors and officers of the Cathedra beneficially owned, directly or indirectly, or exercised control or direction over, in the aggregate of 164,810 Cathedra SV Shares and 204,278 MV Shares, which represented approximately 77.6% of the voting rights attached to the issued and outstanding Cathedra Shares (on an undiluted basis), and have agreed to vote in favour of the Arrangement Resolution pursuant to the terms of the support agreements which the directors and officers of Cathedra entered into in favour of Sphere.
40. As of the Record Date, the directors and officers of the Cathedra held, in the aggregate,
- (a) 574,627 Cathedra Options, of which 74,627 are vested and exercisable (representing in the aggregate approximately 79.3% of all outstanding Cathedra Options);
 - (b) Nil Cathedra Warrants; and
 - (c) 2,328,045 Cathedra RSUs, of which nil are vested and exercisable (representing in the aggregate approximately 84.3% of all outstanding Cathedra RSUs);
41. All other benefits received, or to be received, by the Directors and senior management of the Company as a result of the Arrangement are, and will be, solely in connection with their services as directors and officers of the Company. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for the Cathedra Shares held by such person and no benefit is, or will be, conditional on any person supporting the Arrangement.

The Meeting and Approvals

42. It is proposed in accordance with the Interim Order that Cathedra convene the Meeting on May 15, 2026 at 9:00 a.m. (Vancouver Time) to consider, *inter alia*, and, if deemed advisable, to pass, subject to such amendments, variations or additions as may be approved at the Meeting, the Arrangement Resolution.
43. The Securityholders that will be entitled to receive notice of, to attend and to vote at the Meeting are the Securityholders of record on March 25, 2026.
44. In connection with the Meeting, Cathedra intends to send to each Securityholders a copy of the following materials and documentation substantially in the forms attached as Exhibits "A" to "E" to Affidavit #1:
- (a) The Notice of the Meeting and accompanying Circular (a copy of which is attached as Exhibit "A" to Affidavit #1) that includes, among other things:
 - (b) An explanation of the effect of the Arrangement;
 - (c) Information concerning Cathedra;
 - (d) Information concerning Sphere;
 - (e) The text of the Arrangement Resolution;
 - (f) The text of the proposed Plan of Arrangement;
 - (g) A copy of the Petition;
 - (h) A copy of the Interim Order;
 - (i) A copy of the Notice of final hearing of the Petition;
 - (j) A summary of the Arrangement Agreement;
 - (k) A copy of the dissent provisions contained in Division 2 of Part 8 of the BCBCA; and
 - (l) A Fairness Opinion, completed by the financial advisor; and
 - (m) the form of proxy and voting information form for use by the Securityholders and in the case of Registered Cathedra Shareholders, also the letter of transmittal (draft copies of the form of proxy and letter of transmittal are attached as Exhibit "C" and Exhibit "D" to Affidavit #1).
45. All such documents may contain such amendments thereto as the Petitioner (based on the advice of its solicitors) may determine are necessary or desirable, provided such amendments are not inconsistent with the terms of the Interim Order.

Quorum and Voting at the Meeting

46. The quorum for the transaction of business at the Meeting is two (2) shareholders entitled to vote at the meeting, present in person or represented by proxy.
47. The requisite approval for the Arrangement Resolution shall be:
- (a) not less than 66 2/3% of the votes cast by Cathedra Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting; and
 - (b) not less than 66 2/3% of the votes cast by all Securityholders, voting together as a single class, present in person or represented by proxy at the Meeting.

Rights of Dissent

48. Registered Cathedra Shareholders shall have rights of dissent in respect of the Arrangement Resolution equivalent to those provided in Division 2 of Part 8 of the BCBCA.
49. Registered Cathedra Shareholders will be the only Cathedra Shareholders entitled to exercise such right of dissent. Accordingly, a Non-Registered Cathedra Shareholder desiring to exercise Dissent Rights must make arrangements for such beneficially owned Cathedra Shares to be registered in such holder's name prior to the time the written objection to the Arrangement Resolution is required to be received by the Cathedra, or alternatively, make arrangements for the registered holder of such Cathedra Shares to dissent on such holder's behalf.
50. In order for a Registered Cathedra Shareholder to exercise such right of dissent (the "Dissent Rights"):
- (a) A Dissenting Shareholder must send to Cathedra at its address for such purpose, 170-422 Richards Street, Vancouver, British Columbia, V6B 2Z4 Attn: Joel Block, a written notice of dissent to the Arrangement Resolution, which written notice of dissent must be received by 5:00 pm (Vancouver time) on May 13, 2026, or two business days immediately preceding the date of any postponement or adjournment of the Meeting.
 - (b) A Dissenting Shareholder must not have voted his, her, or its Cathedra Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
 - (c) A Dissenting Shareholder must dissent with respect to all of the Cathedra Shares held by such person; and
 - (d) The exercise of such Dissent Rights must otherwise comply with the requirements of Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order, and the Final Order.

United States Securities Laws

51. There are Securityholders in the United States. Cathedra hereby advises the Court that, based upon the Final Order, it and Sphere intend to rely upon the exemption from the registration requirements of

the United States Securities Act of 1933 (the "**1933 Act**") pursuant to Section 3(a)(10) thereof with respect to the issuance and exchange of the Consideration Shares, Replacement Options, Replacement Warrants and Replacement RSUs ("**Exchanged Securities**") pursuant to the Arrangement.

52. Section 3(a)(10) of the 1933 Act provides an exemption from the general registration requirements of the 1933 Act for securities issued in exchange for one or more *bona fide* outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved as substantively and procedurally fair by a court of competent jurisdiction that is expressly authorized by law to grant such approval after a hearing upon the substantive and procedural fairness of such terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued in such exchange have the right to appear and have received timely notice thereof.
53. In order to ensure that the issuance of the Exchanged Securities pursuant to the Arrangement will be exempt from the registration requirements under section 3(a)(10) of the 1933 Act, it is necessary that:
 - (a) Prior to the hearing required to approve the Arrangement, the Court is advised of the intention of the parties to rely on section 3(a)(10) of the 1933 Act based on the Court's approval of the Arrangement;
 - (b) All persons entitled to receive consideration pursuant to the Arrangement are given adequate notice of advising them of their rights to attend the hearing of the Court to approve the Arrangement and are provided with sufficient information necessary for them to exercise that right; there cannot be any improper impediment to the appearance by such persons at the hearing of the Court to approve the Arrangement;
 - (c) All persons entitled to receive the Exchanged Securities pursuant to the Arrangement are advised that such Exchanged Securities have not been registered under the 1933 Act and will be issued by Sphere in reliance on the exemption from registration provided under section 3(a)(10) of the 1933 Act, and exemptions under applicable U.S. state securities laws, and may be subject to restrictions on resale under the securities laws of the United States, including, as applicable, Rule 144 under the 1933 Act with respect to affiliates, and that no registration statement will be filed with the United States Securities and Exchange Commission in respect thereof;
 - (d) The Interim Order specifies that each person entitled to receive the Exchanged Securities pursuant to the Arrangement will have the right to appear before the Court at the hearing of the Court to approve the Arrangement so long as they enter an appearance within a reasonable time; and
 - (e) The Court holds a hearing before approving the fairness of the terms and conditions of the Arrangement and issuing the Final Order, the Court finds, prior to approving the Final Order, that the terms and conditions of the issuance and exchange of the Exchanged Securities pursuant to the Arrangement are procedurally and substantively fair and reasonable to all persons who are entitled to receive the Exchanged Securities pursuant to the Agreement, and the Final Order expressly states that the terms and conditions of the

issuance and exchange of such securities is fair and reasonable to all persons entitled to receive and exchange the Exchanged Securities.

54. Cathedra and Sphere do not wish to proceed with the transactions contemplated by the Plan of Arrangement, except by way of an arrangement under the BCBCA, so that Cathedra and Sphere may rely on the exemption provided by Section 3(a)(10) of the 1933 Act. If such exemption were not available, compliance with the United States securities laws would likely subject Cathedra and Sphere to inordinate costs and inconvenience, and delay implementation of the Arrangement, none of which Cathedra believes is in the best interests of the Securityholders.

Part 3: LEGAL BASIS

1. The Petitioner relies on sections 186, 238, 242-247, 288-299 of the BCBCA, Supreme Court Civil Rules 1-2(4), 1-3, 2-1(2)(b), 4-4, 4-5, 8-1, and 16-1, and the inherent jurisdiction of this Court.
2. Section 288(1) of the BCBCA permits a company to propose an arrangement with its shareholders, creditors or other persons and may, in that arrangement, make any proposal it considers appropriate.
3. Section 288(2) of the BCBCA sets out two preconditions for an arrangement to take effect: (a) the adoption of the arrangement in accordance with section 289, and (b) court approval under section 291.
4. This Court has recognized that section 291 of the BCBCA contemplates three steps in the process of approving an arrangement:
 - (a) An application for an interim order for directions calling a shareholders' (and possibly other securityholders') meeting to consider and vote on the arrangement;
 - (b) A meeting of shareholders (and possibly other securityholders) where the arrangement must be voted on and approved by special resolution; and
 - (c) An application for final approval of the arrangement.

Re Plutonic Power Corporation, 2011 BCSC 804 ("*Plutonic*") at para. 16

5. The Petitioner intends to apply for an Interim Order for directions, and following the Meeting to be held in compliance with the terms of the Interim Order, return to this Court for approval of the Arrangement.
6. An interim order is preliminary in nature. The purpose of the interim order is to set the wheels in motion for the application process relating to the arrangement and to establish the parameters for the holding of shareholder meetings to consider approval of the arrangement in accordance with the statute.

Mason Capital Management LLC v TELUS Corp, 2012 BCSC 1582 ("*Mason*") at para. 31

7. In order to grant an interim order, a court needs only to satisfy itself that reasonable grounds exist to regard the proposed transaction as an 'arrangement'. The court will consider the merits and fairness of the arrangement at the final hearing stage.

Mason at para. 32

8. In determining whether a plan of arrangement should be approved, the court must focus on the terms and impact of the arrangement itself, rather than on the process by which it was reached. What is required is that the arrangement itself, viewed substantively and objectively, be suitable for approval.

Plutonic at para 19 citing B.C.E at para 136

9. The principles to be applied in considering an application for court approval of a plan of arrangement were set out by the Supreme Court of Canada in *B.C.E. Inc. v. 1976 Debenture Holders*, 2008 SCC 69 ("B.C.E"):
 - (a) In seeking approval of an arrangement, the corporation bears the onus of satisfying the court that the statutory procedures have been met, the application has been put forward in good faith, and the arrangement is fair and reasonable: at para. 137.
 - (b) In order to determine whether a plan of arrangement is fair and reasonable, the court must be satisfied that the plan serves a valid business purpose and that it adequately responds to the objections and conflicts between different affected parties: at paras. 138, 143.
 - (c) Whether a plan of arrangement is fair and reasonable is determined by taking into account a variety of relevant factors, including the necessity of the arrangement to the corporation's continued existence, the approval, if any, of a majority of shareholders and other security holders entitled to vote, and the proportionality of the impact on affected groups: at paras. 144-154.

Plutonic at para. 19 citing B.C.E.

10. Under the valid business purpose prong of the fair and reasonable analysis, courts must be satisfied that the burden imposed by the arrangement on security holders is justified by the interests of the corporation. The proposed plan of arrangement must further the interests of the corporation as an ongoing concern.

Plutonic at para. 19 citing B.C.E. at para. 145

11. The second prong of the fair and reasonable analysis focuses on whether the objections of those whose rights are being arranged are being resolved in a fair and balanced way. The court must be careful not to cater to the special needs of one particular group but must strive to be fair to all involved in the transaction depending on the circumstances that exist. The overall fairness of any arrangement must be considered as well as fairness to various individual stakeholders.

Plutonic at para. 19 citing B.C.E. at para. 147-148

12. The following list of non-exhaustive factors has been considered by courts in applying the above principles:

- (a) The necessity of the arrangement to the continued operations of the corporation. Necessity is driven by the market conditions that a corporation faces. The degree of necessity of the arrangement has a direct impact on the court's level of scrutiny;
- (b) Although not determinative, courts have placed considerable weight on whether a majority of security holders has voted to approve the arrangement. Voting results offer a key indication of whether those affected by the plan consider it to be fair and reasonable;
- (c) The proportionality of the compromise between various security holders;
- (d) The security holders' position before and after the arrangement;
- (e) whether the plan has been approved by a special committee of independent directors;
- (f) the presence of a fairness opinion from a reputable expert;
- (g) the access of shareholders to dissent rights;
- (h) the impact on various security holders' rights; and
- (i) the reputé of the directors and advisors who endorse the arrangement and the arrangement's terms.

Plutonic at para. 19 citing B.C.E. at para. 146, 150, 152

13. The overall determination of whether an arrangement is fair and reasonable is fact-specific and may require the assessment of different factors in different situations.

Plutonic at para. 19 citing B.C.E. at para. 153

14. There is no such thing as a perfect arrangement. What is required is a reasonable decision in light of the specific circumstances of each case, not a perfect decision.

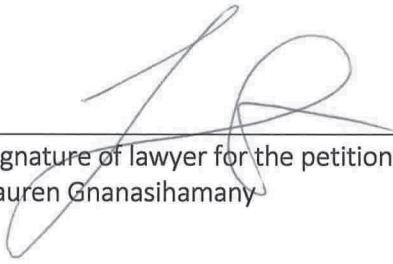
Plutonic at para. 19 citing B.C.E. at para. 155

15. The Arrangement in this case is put forward in good faith and is fair and reasonable. On that basis, the Petitioner asks that the court grant its application for the Interim Order and the Final Order.

MATERIAL TO BE RELIED ON

1. The Affidavit #1 of Inar Kamaletdinov, made March 30, 2026;
2. The pleadings filed herein; and
3. Such further materials as counsel for Cathedra may advise.

Dated: 30/March/2026



Signature of lawyer for the petitioner
Lauren Gnanasiamany

To be completed by the court only:

Order made

- ☐ in the terms requested in paragraph _____ of Part 1 of this petition
- ☐ with the following variations and additional terms:

Dated: ____/____/2026

Signature of ☐ Judge ☐ Associate Judge

SCHEDULE "A" To PETITION

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C. 2002,
C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
CATHEDRA BITCOIN INC., ITS SECURITYHOLDERS, AND SPHERE 3D CORP.

CATHEDRA BITCOIN INC.

PETITIONER

ORDER MADE AFTER APPLICATION (INTERIM ORDER)

BEFORE

ASSOCIATE JUDGE

01/April/2026

ON THE APPLICATION of the Petitioner, Cathedra Bitcoin Inc. ("**Cathedra**") for an Interim Order under section 291 of the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended (the "**BCBCA**") in connection with an arrangement involving Cathedra, Sphere 3D Corp. ("**Sphere**"), S3D Acquisition Corp., a wholly-owned subsidiary of Sphere ("**Amalco Sub**"), the holders (the "**SV Shareholders**") of subordinate voting shares of Cathedra (the "**SV Shares**"), the holders (the "**MV Shareholders**" and with the SV Shareholders, the "**Cathedra Shareholders**") of multiple voting shares of Cathedra ("**MV Shares**" and collectively with the SV Shares, the "**Cathedra Shares**"), the holders (the "**Optionholders**") of options to purchase SV Shares ("**Cathedra Options**"), the holders ("**Warrantholders**") of warrants to purchase SV Shares ("**Cathedra Warrants**"), and the holders ("**RSUholders**" and together with the Cathedra Shareholders, Optionholders, and Warrantholders, the "**Securityholders**") of restricted share units to acquire SV Shares ("**Cathedra RSUs**") under section 288 of the BCBCA.

- ☒ without notice coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on April 1, 2026 and on hearing Lauren Gnanasihmany counsel for Cathedra, and upon reading the Petition filed herein and the Affidavit No. 1 of Inar Kamaletdinov made March 30, 2026 (the "**Affidavit**") and filed herein.

THIS COURT ORDERS that:

SPECIAL MEETING

1. Pursuant to sections 186, 288, 289(1)(a)(i) and (e), 290 and 291(2)(b)(i) of the BCBCA, Cathedra is authorized and directed to call, hold and conduct a special meeting (the **"Meeting"**) of the Securityholders on May 15, 2026 at 9:00 a.m. (Vancouver time) at 170-422 Richards Street, Vancouver, British Columbia, V6B 2Z4:
 - (a) to consider and, if deemed advisable, to pass, with or without variation, among other things, a special resolution (the **"Arrangement Resolution"**) of the Securityholders authorizing and approving an arrangement (the **"Arrangement"**) under Division 5 of Part 9 of the BCBCA; and
 - (b) to transact such other business, as may properly be brought before the Meeting, or any adjournment or postponement thereof.
2. The Meeting shall be called, held and conducted in accordance with the BCBCA, the notice of special meeting of the Cathedra Shareholders (the **"Notice"**) and the management information circular, drafts of which are attached as Exhibit "A" to the Affidavit (the **"Information Circular"**), the articles of Cathedra and applicable securities laws, subject to the terms of this Interim Order and any further Order of this Court, as well as the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency this Interim Order shall govern or, if not specified in the Interim Order, the Information Circular shall govern.

AMENDMENTS

3. Cathedra is authorized to make, in the manner contemplated by and subject to the arrangement agreement between Cathedra, Sphere and Amalco Sub dated March 5, 2026 (the **"Arrangement Agreement"**), such amendments, modifications or supplements to the Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular as it may determine without any additional notice to or authorization of the Securityholders or further orders of this Court. The Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular as so amended, modified or supplemented, shall be the Arrangement, the Plan of Arrangement, the Arrangement Agreement, the Notice and the Information Circular to be submitted to Securityholders at the Meeting, as applicable, and the subject of the Arrangement Resolution.

ADJOURNMENTS AND POSTPONEMENTS

4. Notwithstanding the provisions of the BCBCA and the articles of Cathedra, and subject to the terms of the Arrangement Agreement, the board of directors of Cathedra (the **"Board"**) shall be entitled to adjourn or postpone the Meeting by resolution on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders respecting such adjournment or postponement and without the need for approval of this Court. Notice of any such adjournment or postponement shall be given by press release, newspaper advertisement or notice sent to the Securityholders by one of the methods specified in paragraph 8 of this Interim Order,

as determined to be the most appropriate method of communication by the Board, subject to the terms of the Arrangement Agreement.

5. The Record Date (as defined below) shall remain the same despite any adjournments or postponements of the Meeting.

RECORD DATE

6. The record date for determining Securityholders entitled to receive the Notice, the Information Circular (which shall include, amongst other things, a copy of the Petition, the Notice of Hearing of Petition for Final Order, and the Interim Order granted), the Plan of Arrangement and the form of proxy or voting instruction form for use by the Securityholders (collectively, the "**Meeting Materials**"), shall be the close of business on March 25, 2026 (the "**Record Date**"), as previously approved by the Board and published by Cathedra. The Record Date shall remain the same despite any adjournments or postponements of the Meeting.

NOTICE OF SPECIAL MEETING

7. The Information Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of section 290(1)(a) of the BCBCA, and Cathedra shall not be required to send to the Securityholders any other or additional statement pursuant to section 290(1)(a) of the BCBCA.
8. The Meeting Materials, in substantially the same form as the Exhibits to the Affidavit, with such deletions or additional documents as counsel for Cathedra may advise are necessary or desirable, and as are not inconsistent with the terms of the Interim Order, shall be sent:
 - (a) to registered Cathedra Shareholders as they appear on the securities register(s) of Cathedra or the records of its registrar and transfer agents as at the close of business on the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, by one or more of the following methods:
 - (i) by prepaid ordinary or air-mail addressed to such Cathedra Shareholder at his, her, or its address as it appears on the applicable securities registers of Cathedra or its registrar and transfer agent as at the Record Date;
 - (ii) by delivery in person or by courier to the addresses specified in paragraph 8(a)(i) above; or
 - (iii) by email or facsimile transmission to any such Cathedra Shareholder who identifies himself, herself or itself to the satisfaction of Cathedra (acting through its representatives), who requests such email or facsimile transmission and pays for the transmission fees in accordance with such request; and
 - (b) to registered Optionholders, Warrantholders, and RSUholders as they appear on the securities register(s) of Cathedra or the records of its registrar and transfer agents as at the close of business on the Record Date, such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing,

delivery or transmittal and the date of the Meeting, by one or more of the following methods:

- (i) by prepaid ordinary or air-mail addressed to such Optionholders, Warrantholders, and/or RSUholders at his, her, or its address as it appears on the applicable securities registers of Cathedra or its registrar and transfer agent as at the Record Date;
 - (ii) by delivery in person or by courier to the addresses specified in paragraph 8(a)(i) above; or
 - (iii) by email or facsimile transmission at the email or facsimile address of such Optionholders, Warrantholders, and/or RSUholders as it appears in Cathedra's records, or to the email or facsimile address provided by said Optionholders, Warrantholders, and/or RSUholders to Cathedra if such email or facsimile address is not already in Cathedra's records.
- (c) to non-registered Cathedra Shareholders (those whose names do not appear in the securities register of Cathedra), by sending copies of the Meeting Materials to intermediaries and registered nominees to facilitate the distribution of the Meeting Materials to beneficial owners in accordance with the procedures prescribed by National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators at least three (3) business days prior to the twenty first (21th) day prior to the date of the Meeting.
9. The Meeting Materials shall be sent to the directors and auditor of Cathedra by prepaid ordinary mail or by delivery in person or by recognized courier service or by email or facsimile transmission at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery, or transmission.
10. Substantial compliance with the delivery of the Meeting Materials as ordered herein shall constitute good and sufficient notice of the Meeting, including compliance with the requirements of section 290(1)(a) of the BCBCA, and Cathedra shall not be required to send to any Securityholder any other or additional statement pursuant to section 290(1) of the BCBCA.
11. The sending of the Meeting Materials, which includes the Petition, Notice of Hearing of the Petition and the Interim Order in accordance with paragraph 8 of this Order shall constitute good and sufficient service of such Petition and Notice of Hearing upon all who may wish to appear in these proceedings, and no other service need be made and no other material need to be served on persons in respect of these proceedings except upon written request to the solicitors for Cathedra at their address for service set out in the Petition. In particular, service of the Petition and any supporting affidavits is dispensed with.
12. Accidental failure of or omission by Cathedra to give notice to any one or more Securityholder or any other persons entitled thereto, or the non-receipt of such notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Cathedra (including, without limitation, any inability to use postal services) shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding

taken at the Meeting, but if any such failure or omission is brought to the attention of Cathedra, then it shall use commercially reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

13. Cathedra shall be at liberty to give notice of this application to persons outside the jurisdiction of this Court in the manner specified herein.
14. Provided that notice of the Meeting is given and the Meeting Materials are provided to the Securityholders, and any other persons entitled thereto in compliance with this Interim Order, the requirement of section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the Meeting is waived.
15. In the event of a postal strike, lockout or event that prevents, delays or otherwise interrupts mailing of the Meeting Materials by prepaid ordinary mail (the "**Postal Service Disruption**") as provided for in paragraph 8 herein:
 - (a) Cathedra shall cause an advertisement (the "**Advertisement**") to be placed in a major daily newspaper of national circulation, stating:
 - i. the date, place, and time of the Meeting;
 - ii. the measures implemented by Cathedra to ensure delivery or transmission of proxies or other Meeting Materials by the Securityholders to Cathedra in relation to the Meeting within the required time period and at no cost to the Securityholders; and
 - iii. that the Meeting Materials are available, without charge, for review via the internet at the SEDAR+ website (www.sedarplus.ca) or for delivery to Securityholders by electronic mail or by courier upon request made to Cathedra;
 - (b) the Advertisement shall be made on or before the date upon which notice of the Meeting would otherwise be sent to the Securityholders, in the event that a Postal Service Disruption had not occurred;
 - (c) Cathedra shall, concurrently with the Advertisement, issue a press release containing the information set out in paragraph 15(a) herein and stating that the Advertisement and press release are being made in accordance with this order in lieu of prepaid ordinary mail due to the Postal Service Disruption; and
 - (d) For Forms of Proxies, Voter Information Forms, and other materials that are required to be delivered to Cathedra for the purposes of the Meeting, Cathedra shall implement measures that enable Securityholders, during the Postal Service Disruption, to effect delivery or transmission by the Cathedra Shareholders of said proxies, voter information forms, or other materials within the required period at no cost to Securityholders.

DEEMED RECEIPT OF NOTICE

16. The Meeting Materials and any amendments, modifications, updates or supplements to the Meeting Materials and any notice of adjournment or postponement of the Meeting, shall be deemed to have been received, for the purposes of this Interim Order:
 - (a) in the case of mailing pursuant to paragraph 8(a)(i) above, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

- (b) in the case of delivery in person pursuant to paragraph 8(a)(ii) above, the day following personal delivery or, in the case of delivery by courier, one (1) business day after receipt by the courier;
- (c) in the case of transmission by email or facsimile pursuant to paragraph 8(a)(iii) above, upon the transmission thereof;
- (d) in the case of Advertisement, at the time of publication of the Advertisement;
- (e) in the case of electronic filing on SEDAR+, upon the transmission thereof; and
- (f) in the case of beneficial Cathedra Shareholders, three (3) days after delivery thereof to intermediaries and registered nominees.

UPDATING MEETING MATERIALS

17. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated, at any time prior to the Meeting, to the Securityholders or any other persons entitled thereto, by news release, newspaper advertisement or by notice sent to the Securityholders by any of the means set forth in paragraphs 8 or 15, as determined to be the most appropriate method of communication by the Board, subject to the terms of the Arrangement Agreement.

PERMITTED ATTENDEES

18. The only persons entitled to attend the Meeting shall be:
 - (a) the Securityholders as at 5:00 p.m. (Vancouver time) on the Record Date, or their respective proxyholders;
 - (b) directors, officers, auditors and advisors of Cathedra;
 - (c) directors, officers, auditors and advisors of Sphere; and
 - (d) other persons with the prior permission of the Chair of the Meeting;
 and the only persons entitled to be represented and to vote at the Meeting shall be the Securityholders at the close of business on the Record Date, or their respective proxyholders.

SOLICITATION OF PROXIES

19. Cathedra is authorized to use the Form of Proxy (as applicable) in connection with the Meeting, in substantially the same form as is attached as Exhibit "C" to the Affidavit, subject to Cathedra's ability to insert dates and other relevant information in the final form thereof and to make other non-substantive changes and changes legal counsel advise are necessary or appropriate. Cathedra is authorized, at its expense, to solicit proxies directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose and by mail, telephone or such other form of personal or electronic communication as it may determine.
20. The procedures for the use of proxies at the Meeting and revocation of proxies shall be as set out in the Notice and the Information Circular.

21. Subject to the terms of the Arrangement Agreement, Cathedra may, in its discretion generally waive the time limits for the deposit of proxies by Securityholders if Cathedra deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair of the Meeting.

QUORUM AND VOTING

22. A quorum at the Meeting is two (2) shareholders entitled to vote at the meeting, present in person or represented by proxy.
23. At the Meeting, and in respect of the Arrangement Resolution:
- (a) each SV Shareholder whose name is entered in on the central securities register of Cathedra as at the close of business on the Record Date is entitled to one (1) vote for each SV Share registered in his/her/its name;
 - (b) each MV Shareholder whose name is entered in on the central securities register of Cathedra as at the close of business on the Record Date is entitled to 152 vote for each MV Share registered in his/her/its name;
 - (c) each Optionholder whose name is entered in on the central securities register of Cathedra as at the close of business on the Record Date is entitled to one (1) vote for each Cathedra Option registered in his/her/its name;
 - (d) each Warrantholder whose name is entered in on the central securities register of Cathedra as at the close of business on the Record Date is entitled to one (1) vote for each Cathedra Warrant registered in his/her/its name;
 - (e) each RSUholder whose name is entered in on the central securities register of Cathedra as at the close of business on the Record Date is entitled to one (1) vote for each Cathedra RSU registered in his/her/its name;
24. The requisite approval to pass the Arrangement Resolution shall be:
- (a) the affirmative vote of 66⅔% of the votes cast by Cathedra Shareholders, voting together as a single class, present in person or represented by proxy at the Meeting; and
 - (b) the affirmative vote of 66⅔% of the votes cast by Securityholders, voting together as a single class, present in person or represented by proxy at the Meeting

SCRUTINEER

25. The scrutineer for the Meeting shall be Computershare Trust Company of Canada (acting through its representatives for that purpose).

SHAREHOLDER DISSENT RIGHTS

26. Each registered Cathedra Shareholder is granted rights to dissent (the "**Dissent Rights**") in respect of the Arrangement Resolution in accordance with sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, this Interim Order and the Final Order, including that:
- (a) a registered Cathedra Shareholder who wishes to dissent (a "**Dissenting Cathedra Shareholder**") must deliver a written notice of dissent (a "**Notice of Dissent**") to Cathedra at 170-422 Richards Street, Vancouver, British Columbia, V6B 2Z4 Attn: Joel Block to be received by Cathedra no later than 5:00 pm (Vancouver time) on May 13, 2026, or if the

Meeting is adjourned or postponed, the date that is two business days preceding the date of the reconvened or postponed Meeting;

- (b) a Notice of Dissent must specify the name and address of the Dissenting Cathedra Shareholder, the number of Cathedra Shares in respect of which the Notice of Dissent is being given (the "**Notice Shares**") and whichever of the following is applicable:
 - (i) if the Notice Shares constitute all of the Cathedra Shares of which the Dissenting Cathedra Shareholder is both the registered and beneficial owner and the Dissenting Cathedra Shareholder holds no other Cathedra Shares as beneficial owner, a statement to that effect;
 - (ii) if the Notice Shares constitute all of the Cathedra Shares of which the Dissenting Cathedra Shareholder is both the registered and beneficial owner but the Dissenting Cathedra Shareholder owns additional Cathedra Shares beneficially, a statement to that effect and the names of the registered Cathedra Shareholders of such additional Cathedra Shares, the number of such additional Cathedra Shares held by each of those registered owners and a statement that Notices of Dissent are being, or have been, sent with respect to all such additional Cathedra Shares; or
 - (iii) if the Dissent Rights are being exercised by a registered Cathedra Shareholder on behalf of a non-registered Cathedra Shareholder who is not the Dissenting Cathedra Shareholder, a statement to that effect and the name and address of the non-registered Cathedra Shareholder and a statement that the registered Cathedra Shareholder is dissenting with respect to all Cathedra Shares of the non-registered Cathedra Shareholder that are registered in such registered Cathedra Shareholder's name;
- (c) a Dissenting Cathedra Shareholder who has delivered a Notice of Dissent and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Cathedra Shareholder. A Cathedra Shareholder need not vote its Cathedra Shares against the Arrangement Resolution in order to dissent. A vote against the Arrangement Resolution, whether in person or by proxy, does not constitute a Notice of Dissent;
- (d) Cathedra is required, promptly after the later of: (i) the date on which it forms the intention to proceed with the Arrangement, and (ii) the date on which the Notice of Dissent was received to notify each Dissenting Cathedra Shareholder of its intention to act on the Arrangement Resolution;
- (e) if the Arrangement Resolution is approved and if Cathedra notifies the Dissenting Cathedra Shareholders of its intention to act upon the Arrangement Resolution, the Dissenting Cathedra Shareholder is then required, within one month after Cathedra gives such notice, to send to Cathedra the certificates representing the Notice Shares if such shares are certificated, and a written statement that requires Cathedra to purchase all of the Notice Shares;
- (f) if the Dissent Right is being exercised by the Dissenting Cathedra Shareholder on behalf of a non-registered Cathedra Shareholder who is not the Dissenting Cathedra Shareholder, a statement signed by the non-registered Cathedra Shareholder is required which sets out whether the non-registered Cathedra Shareholder is the beneficial owner of other

Cathedra Shares and, if so, (i) the names of the registered owners of such Cathedra Shares; (ii) the number of such Cathedra Shares; and (iii) that dissent is being exercised in respect of all of such Cathedra Shares. Upon delivery of these documents, the Dissenting Cathedra Shareholder is deemed to have sold the Notice Shares and Cathedra is deemed to have purchased them in consideration for a debt claim against Cathedra for the value of the Notice Shares. Once the Dissenting Cathedra Shareholder has done this, the Dissenting Cathedra Shareholder may not vote or exercise any shareholder rights in respect of the Notice Shares;

- (g) the Dissenting Cathedra Shareholder and Cathedra may agree on the payout value of the Notice Shares; otherwise, either party may apply to the Court to determine the payout value of the Notice Shares or apply for an order that value be established by arbitration or by reference to the registrar or a referee of the Court. After a determination of the payout value of the Notice Shares, and if the Arrangement is completed, Cathedra must then promptly pay that amount to the Dissenting Cathedra Shareholder to satisfy the debt claim of such Dissenting Cathedra Shareholder against Cathedra arising from the deemed purchase of the Notice Shares by Cathedra. If a Dissenting Cathedra Shareholder is ultimately not entitled, for any reason, to be paid fair value for the Notice Shares, such Dissenting Cathedra Shareholder will be deemed to have participated in the Arrangement on the same basis as a Cathedra Shareholder who has not exercised Dissent Rights and shall be entitled to receive only the consideration that such Cathedra Shareholder would have received pursuant to the Arrangement if such Cathedra Shareholder had not exercised its Dissent Rights; and
 - (h) a Dissenting Cathedra Shareholder loses his, her or its Dissent Rights if, before full payment is made for the Notice Shares, any of the following events occurs: Cathedra abandons the corporate action that has given right to the Dissent Right (namely, the Arrangement), the Arrangement Resolution does not pass or is revoked; the Arrangement will not proceed; a court permanently enjoins the Arrangement, or the Dissenting Cathedra Shareholder withdraws the Notice of Dissent with Cathedra's consent. When these events occur, Cathedra must return the share certificates, if applicable, to the Dissenting Cathedra Shareholder and the Dissenting Cathedra Shareholder regains the ability to vote and exercise shareholder rights.
- 27. Notice to the Cathedra Shareholders of their Dissent Rights with respect to the Arrangement Resolution will be given by including information with respect to the Dissent Rights in the Information Circular to be sent to the Cathedra Shareholders with respect to the Arrangement.
 - 28. Subject to further order of this Court, the rights available to the Cathedra Shareholders under the BCBCA and the Plan of Arrangement to dissent from the Arrangement will constitute full and sufficient Dissent Rights for the Cathedra Shareholders with respect to the Arrangement.

APPLICATION FOR FINAL ORDER

- 29. Upon the approval by the Securityholders of the Arrangement Resolution, in the manner set forth in this Interim Order, Cathedra may apply to this Court (the "**Application**") for an Order:
 - (a) pursuant to section 291(4)(a) of the BCBCA approving the Arrangement; and

- (b) pursuant to section 291(4)(c) of the BCBCA declaring that the Arrangement, and the distribution of securities to be affected by the Arrangement, is substantively and procedurally fair and reasonable to the Cathedra Securityholders,
(collectively the "**Final Order**"),

and the hearing of the Application will be held on May 20, 2026, before the presiding Judge in Chambers at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the Application can be heard or at such other date and time as this Court may direct.

30. The form of Notice of final hearing attached as Exhibit "B" to the Affidavit is hereby approved as the form of notice for the hearing of the application for the Final Order.
31. The Petitioner has advised the court that:
- (a) section 3(a)(10) of the United States *Securities Act of 1933* (the "**1933 Act**"), as amended, provides an exemption from registration for the securities issued in exchange for one or more bona fide outstanding securities, claims or property interests pursuant to an arrangement where the terms and conditions of such issuance and exchange are approved by any court (including this Court), after a hearing on the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear and have received adequate and timely notice thereof;
 - (b) the Petitioner intends to use the Final Order of this Court approving the Arrangement, and declaring the fairness of the Arrangement, including the terms and conditions hereof and the proposed issuance and exchanges of securities contemplated therein, as a basis for an exemption from registration under the 1933 Act of the issuance of securities contemplated under the Arrangement; and
 - (c) should the Court make the Final Order approving the Arrangement, the issuance of the Consideration Shares, Replacement Options, Replacement Warrants and Replacement RSUs (each as defined in the Arrangement Agreement) will be exempt from registration under the 1933 Act pursuant to section 3(a)(10) thereof.
32. Any Securityholder who wishes to appear or be represented and/or present evidence or arguments at the hearing of the application for the Final Order must:
- (a) file a Response to Petition, in the form prescribed by the Supreme Court Civil Rules, together with any evidence or material which is to be presented to the Court at the hearing of the Application; and
 - (b) deliver the filed Response to Petition together with a copy of any evidence or material which is to be presented to the Court at the hearing of the Application, to Cathedra's counsel at:

DWF (trading name for WT BCA LLP)
2400 – 200 Granville Street, Vancouver, BC V6C 1S4
Attention: Lauren Gnanasihamany & Patrick Sullivan

by or before 4:00 pm (Vancouver time) on May 15, 2026
33. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned date.

34. In the event that the hearing of the Application is adjourned, then only those persons who filed and delivered a Response to Petition in accordance with paragraph 32 need be provided with notice of the adjourned hearing date.
35. Subject to other provisions in this Interim Order, no material other than that contained in the Information Circular need be served on any persons in respect of these proceedings and, in particular, service of the Petition herein and the accompanying Affidavit and additional affidavits as may be filed is dispensed with.

VARIANCE

36. Cathedra shall be entitled, at any time, to apply to vary this Interim Order.
37. Rules 8-1 and 16-1(8) – (12) will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.
38. Cathedra shall, and hereby does, have liberty to apply for such further orders as may be appropriate.
39. To the extent of any inconsistency or discrepancy between this Interim Order and the Information Circular, the BCBCA, applicable securities laws or the articles of Cathedra, this Interim Order will govern.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Lawyer for the Petitioner,
Cathedra Bitcoin Inc.
Lawyer: Lauren Gnanasihamany

BY THE COURT

Registrar

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C. 2002,
C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
CATHEDRA BITCOIN INC., ITS SECURITYHOLDERS, AND SPHERE 3D CORP.

CATHEDRA BITCOIN INC.

PETITIONER

NOTICE OF HEARING

TO: the holders Securityholders of Cathedra Bitcoin Inc. ("**Cathedra**"), being the holders of subordinate voting shares (the "**SV Shares**"), the holders of multiple voting shares of Cathedra, the holders of options to purchase SV Shares, the holders of warrants to purchase SV Shares, and the holders of restricted share units to acquire SV Shares.

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by Cathedra in the Supreme Court of British Columbia for approval, pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002 c. 57 and amendments thereto (the "**BCBCA**"), of an arrangement contemplated in an Arrangement Agreement dated March 5, 2026 between Cathedra, Sphere 3D Corp. ("**Sphere**"), and S3D Acquisition Corp., a wholly-owned subsidiary of Sphere ("**Amalco Sub**") involving Cathedra, its Securityholders, Sphere and Amalco Sub (the "**Arrangement**").

NOTICE IS FURTHER GIVEN that by Order of Associate Judge Robinson, an Associate Judge of the Supreme Court of British Columbia, dated April 1, 2026 (the "**Interim Order**"), the Court has given directions as to the calling of a special meeting (the "**Meeting**") of the Securityholders for the purpose of, among other things, considering and voting upon the special resolution to approve the Arrangement.

NOTICE IS FURTHER GIVEN that if the Arrangement is approved at the Meeting, Cathedra intends to apply to the Supreme Court of British Columbia for a final order (the "**Final Order**") approving the Arrangement, declaring it to be fair and reasonable to the Securityholders, which application will be heard at the courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia on **May 20, 2026 at 9:45 a.m.** (Vancouver time) or as soon thereafter as the Court may direct or counsel for the Company may be heard.

NOTICE IS FURTHER GIVEN that the Court has been advised that, if granted, the Final Order approving the Arrangement and the declaration that the Arrangement is fair to the Securityholders will constitute the basis for an exemption from the registration requirements under the United States Securities

Act of 1933, pursuant to section 3(a)(10) thereof, upon which the parties will rely for the issuance and exchange of securities in connection with the Arrangement.

IF YOU WISH TO BE HEARD AT THE HEARING OF THE APPLICATION FOR THE FINAL ORDER OR WISH TO BE NOTIFIED OF ANY FURTHER PROCEEDINGS, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing a form entitled "Response to Petition" together with any evidence or materials which you intend to present to the Court at the Vancouver Registry of the Supreme Court of British Columbia and YOU MUST ALSO DELIVER a copy of the Response to Petition and any other evidence or materials to the Petitioner's address for delivery, which is set out below, on or before **4:00 p.m. (Vancouver time) on May 15, 2026**

YOU OR YOUR SOLICITOR may file the Response to Petition. You may obtain a form of Response to Petition at the Registry. The address of the Registry is 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

IF YOU DO NOT FILE A RESPONSE TO PETITION AND ATTEND EITHER IN PERSON OR BY COUNSEL at the time of the hearing of the application for the Final Order, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court deems fit, all without further notice to you. If the Arrangement is approved, it will affect the rights of the Securityholders.

A copy of the Petition to the Court and the other documents that were filed in support of the Interim Order and will be filed in support of the Final Order will be furnished to any Securityholder upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out below.

The Petitioner's address for delivery is:

DWF (trading name of WT BCA LLP)
2400-200 Granville Street
Vancouver, BC V6C 1S4
Attention: Lauren Gnanasihamany & Patrick Sullivan

Pursuant to the Interim Order, the hearing of this Petition is set for **May 20, 2026 at 9:45 am** before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver British Columbia.

It is anticipated that this Final Hearing will not be contentious and will take 15 minutes.

Dated: 01/April/2026



Signature of lawyer for the petitioner
Lauren Gnanasihamany

APPENDIX "E"
FAIRNESS OPINION

EVANS & EVANS, INC.

SUITE 130, 3RD FLOOR, BENTALL II, 555 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA
CANADA V7X 1M8

19TH FLOOR, 700 2ND STREET SW
CALGARY, ALBERTA
CANADA T2P 2W2

357 BAY STREET
TORONTO, ONTARIO
CANADA M5H 4A6

March 5, 2026

CATHEDRA BITCOIN INC.
422 Richards Street, Unit 170.
Vancouver, British Columbia V6B 2Z4

Attention: Board of Directors

Dear Sirs:

Subject: Fairness Opinion

1.0 Introduction

1.01 Evans & Evans, Inc. (“Evans & Evans” or the “authors of the Opinion”) was engaged by the Board of Directors (the “Board”) of Cathedra Bitcoin Inc. (“Cathedra” or the “Company”) of Vancouver, British Columbia to prepare a Fairness Opinion (the “Opinion”) with respect to the proposed share exchange with Sphere 3D Corp. (“Sphere” or the “Acquiror” and together with Cathedra the “Companies”) (the “Proposed Transaction”). The Proposed Transaction is summarized in section 1.03 of this Opinion.

Evans & Evans has been requested by the Board to prepare the Opinion to provide an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view, to the shareholders of Cathedra (together the “Cathedra Shareholders”).

Cathedra is a reporting issuer whose shares are listed for trading on the TSX Venture Exchange (the “TSXV”) under the symbol “CBIT”. Sphere is a reporting issuer whose shares trade on the NASDAQ Capital Market Stock Exchange (“NasdaqCM”) under the symbol “ANY”. Throughout the Opinion, the TSXV and NasdaqCM exchanges are together referred to as the “Exchanges”.

1.02 Unless otherwise noted, all monetary amounts referenced herein are US dollars. All references in this Opinion to sums of money expressed in lawful money of Canada refers to “C\$”.

1.03 Evans & Evans reviewed the Term Sheet dated January 7, 2026 (the “Term Sheet”) between the Companies, as well as a substantially final form of the arrangement agreement (the “Agreement”) and the associated plan of arrangement between Cathedra, Sphere and S3D Acquisition Corp. (“Amalco Sub”) setting out the terms of the Proposed Transaction. Amalco Sub is a wholly owned, direct subsidiary of Sphere, and was formed for the sole purpose of consummating the transactions contemplated by the Agreement. A summary of the key terms of the transaction is provided below and is not meant to be exhaustive. The

reader is advised to refer to the information circular (the “Circular”) to be provided to the Cathedra Shareholders for a more detailed description of the Proposed Transaction.

1. The Proposed Transaction will be effected by way of a plan of arrangement (the “Arrangement”) pursuant to Section 288 of the *Business Corporation Act* (British Columbia).
2. Under the Arrangement, Sphere will acquire all of Cathedra’s subordinate voting shares (“SV Shares”) as well Cathedra’s multiple voting shares (“MV Shares”). Each MV Share is noted to be convertible into 100 SV Shares and has been presented as such in the analysis (the “SV Equivalent Shares”). The SV Equivalent Shares, together with the SV Shares (the “Cathedra Shares”) will be acquired in exchange for common shares and preferred shares of Sphere at a specified exchange ratio (the “Consideration Shares”).
3. Each registered holder of Cathedra’s SV Shares will receive a number of fully paid and non-assessable Consideration Shares equal to the product determined by the SVS Exchange Ratio. “SVS Exchange Ratio” means 0.123014:1, representing 0.123014 Sphere Common Shares for each Cathedra SV Share.
4. Each registered holder of Cathedra’s MV Shares will receive a number of fully paid and non-assessable Consideration Shares equal to the product determined by the MVS Exchange Ratio. “MVS Exchange Ratio” means 12.3014:1, representing 12.3014 Sphere Common Shares for each Cathedra MV Share. The SVS Exchange Ratio and MVS Exchange Ratio in combination will be referred to herein as the “Exchange Ratios”.
5. If the aggregate number of Consideration Shares that would otherwise be issuable to any of the Key Holders¹ pursuant to the Proposed Transaction would result in such Key Holder beneficially owning, together with such Key Holder’s affiliates and any persons acting jointly or in concert with such Key Holder, more than seven percent (the “Ownership Cap”) of the then-outstanding common shares of Sphere (the “Resulting Issuer Common Shares”), such Key Holder shall instead receive, in lieu of the number of Resulting Issuer Shares in excess of the Ownership Cap, an equivalent number of preferred shares (the “Resulting Issuer Preferred Shares”). Such an issuance shall be effected as part of the issuance of the Consideration Shares under the Proposed Transaction. A description of the Resulting Issuer Preferred Shares is provided below.

The Resulting Issuer Preferred Shares are non-voting, with an 8% annual stock dividend, and convertible into Resulting Issuer Common Shares over a 3-year period on a one-for-one basis.

6. All unexercised outstanding Cathedra options held by Cathedra option holders shall, as at the effective time pursuant to the Proposed Transaction and in accordance with the

¹ Key Holders refer to Joel Block, Thomas Masiero and Jialin “Gavin” Qu.

Arrangement, be exchanged for options to acquire Resulting Issuer Common Shares (the “Replacement Options”) adjusted for the appropriate Exchange Ratios.

7. All unexercised warrants held by Cathedra warrant holders shall, as at the effective time pursuant to the Proposed Transaction and in accordance with the Arrangement, be exchanged for warrants to acquire Resulting Issuer Common Shares (the “Replacement Warrants”) adjusted for the appropriate Exchange Ratios.
8. All unvested outstanding Cathedra restricted share units (“RSUs”) outstanding with the exception of 932,538 RSUs (“Accelerated RSUs”) shall, as at the effective time pursuant to the Proposed Transaction and in accordance with the Arrangement, be exchanged for RSUs to acquire Resulting Issuer Common Shares (the “Replacement RSUs”) adjusted for the SV Exchange Ratio. The Accelerated RSUs shall be converted to Reporting Issuer Common Shares at the SV Exchange Ratio.
9. The number of Consideration Shares issuable to the Cathedra Shareholders shall not be adjusted for any Sphere Shares issued between January 7, 2026 and the consummation of the Arrangement in connection with issuances of Sphere Shares pursuant to the ATM Agreement² for less than \$1.0 million.
10. The Agreement does set out a mechanism to adjust the number of Consideration Shares issued to Cathedra Shareholders and securityholders for any transactions outside of the permitted transactions outlined in the Agreement.
11. The Agreement sets out a mutual termination fee of US\$0.5 million payable under certain circumstances as outlined in the Agreement.
12. Upon the completion of the Arrangement, the board of directors of the Resulting Issuer is expected to be comprised of five members of which one is expected to be a nominee of Sphere, one is expected to be a nominee of Cathedra, and three independent directors are expected to be appointed, which may comprise of existing independent directors of Sphere and Cathedra. The Board of Directors of the Resulting Issuer is expected to consist of the following members: Tim Hanley, Chairman of the Board, independent director and Sphere nominee; Joel Block, Cathedra nominee; Marcus Dent, independent director and Cathedra nominee; Kurt Kalbfleisch, Sphere nominee; and Nicholas Gates, independent director and mutual nominee.

The Agreement contains customary deal-protection provisions, including a non-solicitation covenant and a right to match any superior proposal as defined and described in the Agreement.

The directors and senior officers of Cathedra will enter into support agreements, where they will consent to vote in favor of the Arrangement. Management of the Company has

² “ATM Agreement” means that certain Sales Agreement, dated as of January 3, 2025, by and between Sphere and A.G.P./Alliance Global Partners;

CATHEDRA BITCOIN INC.

March 5, 2026

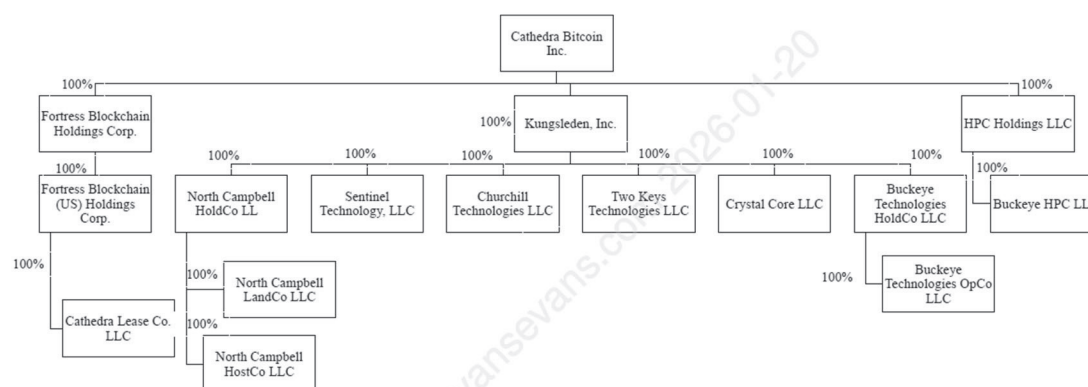
Page 4

noted to Evans & Evans that approximately 70% of the Cathedra Shares issued and outstanding as of the date of the Opinion will be subject to the support agreements.

Certain officers of Cathedra have agreed to restructure their change of control payments, as outlined in their respective employment agreements, in order to facilitate the Proposed Transaction. The reader is advised to refer to materials provided to the Cathedra Shareholders for details on these payments.

The Proposed Transaction has not been publicly announced as of the date of the Opinion.

- 1.04 The Board retained Evans & Evans to act as an independent advisor to Cathedra and to prepare and deliver the Opinion to the Board to provide an independent opinion as to the fairness of the Proposed Transaction and Exchange Ratios, from a financial point of view, to the Cathedra Shareholders as of March 5, 2026.
- 1.05 Cathedra was incorporated on August 15, 2018, under the name “Fortress Blockchain Corp.”. The Company changed its name to “Cathedra Bitcoin Inc.” on December 8, 2021. Cathedra operates as a bitcoin mining company based in Vancouver, Canada, developing and operating bitcoin mining data centers and digital infrastructure assets across North America with three wholly owned subsidiary holding companies, Fortress Blockchain Holding Corp., Kungsleden, Inc. (“Kungsleden”), and HPC Holding LLC. The holding companies have 12 subsidiaries as of the date of the Opinion. The organization structure is detailed in the following graphic.



In July 2024, Cathedra completed a reverse takeover transaction (the “K-Merger”) with Kungsleden. This strategic merger resulted in Kungsleden shareholders acquiring approximately 72.5% of Cathedra's equity, while existing Cathedra shareholders retained around 27.5%. Following the K-Merger, Cathedra's management team remained largely unchanged, with the addition of Kungsleden's co-founders focusing on growth initiatives.

Kungsleden was a developer and operator of alternative high-density compute infrastructure incorporated in Delaware in 2023 and headquartered in Tennessee. The company owned and operated 30 megawatts (“MW”) of bitcoin mining hosting capacity across three data centers located in two U.S. states. Additionally, Kungsleden held a 25%

minority interest and maintained operational control in a 60-MW North Dakota hosting facility³.

Following the K-Merger, Cathedra was positioned to operate in both cryptocurrency mining and hosting, thereby enhancing its strategic flexibility and diversifying its revenue streams. The K-Merger facilitated Cathedra's entry into the high-growth, high-value compute infrastructure sector, supported by Kungsleden's differentiated development and operating model. Cathedra now benefits from risk-adjusted hosting economics and mining cost synergies. Additional benefits include access to an experienced development team, increased operational scale, and an improved platform to support a potential U.S. listing. The two segments of Cathedra's operation are outlined below.

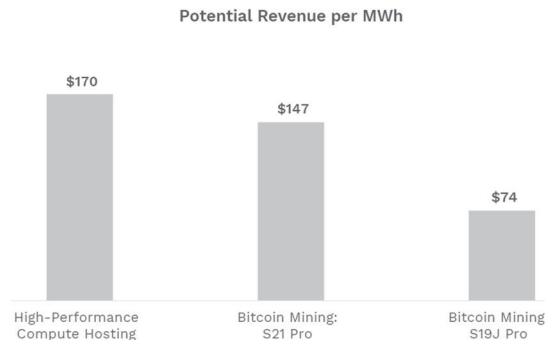
Mining

Cathedra engages in bitcoin mining through a fleet of proprietary mining machines deployed across a combination of owned and third-party data centers, generating an aggregate hash rate of approximately 400 petahashes per second ("PH/s"). While the mining segment presents meaningful upside potential in the event of bitcoin price appreciation, it is subject to relatively higher volatility compared to the hosting segment.

The Company's asset base comprises approximately 4,500 bitcoin mining machines, including the models Bitmain Antminer S19J Pro and S19 XP, which can generate a hash rate of approximately 0.5 exahashes per second ("EH/s"). These machines generally require replacement on a three to four-year cycle to maintain competitive unit economics. The Company has had limited capital expenditures on mining equipment in the 18 months

³ Cathedra sold this 25% minority interest pursuant to the membership interest purchase agreement dated and effective as of December 18, 2024.

preceding the dated of the Opinion and therefore will require additional mining equipment upgrades in the near future.



The Company also seeks to maximize its per-share holdings of bitcoin through a combination of mining operations and opportunistic purchases in the open market.

Hosting

Cathedral provides hosting services to bitcoin mining clients across five bitcoin data centers with an aggregate power capacity of approximately 45 MW. The Company wholly owns three data centers located in Kentucky and Tennessee, representing a combined capacity of approximately 30 MW. In addition, the Company leases two data centers in Washington, which collectively account for approximately 15 MW of capacity. Details of the mining data centers are listed below:

- Kentucky –the site manages and hosts approximately 860 PH/s of third-party hash rate, representing a total of 6,104 units of S19 XP machines.
- Tennessee – is a 10-MW data center hosting:
 - 276 PH/s of third-party hash rate, representing 1,543 units of S19J Pros machine and 300 units of S19 XPs machine.
 - 106 PH/s of proprietary hash rate, representing 957 units of S19J Pros machine and 200 units of S19 XPs machine.
 - 88 PH/s of proprietary hash rate representing 1,129 units of S19J Pros machine hosted at third-party data center.
- Washington – hosts 161 PH/s of proprietary hash rate representing 2,078 units of S19J Pros machine at two leased data centers.

Management noted that operations are allocated approximately 40% to bitcoin mining and 60% to data center hosting as of the date of the Opinion. Hosting for high-performance compute requires more site-level capex per MW than bitcoin mining but can offer long-term fixed revenues and margins.

In March 2025, Cathedral entered into a binding agreement to sell 100% of the membership units in the Tirpitz Technology Holdco LLC (“Tirpitz”) to a third-party bitcoin miner. The joint venture’s 60-megawatt bitcoin mining data center in North Dakota was sold for

approximately US\$21.0 million. Cathedra held a 25% minority interest and used the proceeds for new data centers, acquiring more bitcoin, and increasing cash reserves. Cathedra fulfilled the final condition of the sale in September 2025 and had collected the entire amount receivable as of December 31, 2025.

Financial Position and Capital Structure

Cathedra's fiscal year ("FY") ends on December 31. Cathedra's revenue decreased by 9%, from approximately C\$23.1 million in FY2024 to C\$21.0 million in FY2025, which is consistent with an 8% decrease of bitcoin prices over the corresponding period. The Company's operating margins excluding cost of goods sold declined to 24% in FY2025 as compared to 30% in FY2024 due to the increased costs associated with mining bitcoin as the volume available for mining declines over time.

As of December 31, 2025, Cathedra had debt-free working capital of C\$1,470,343, which was largely comprised of a cash balance of \$1,083,973. Cathedra had no long-term debt on its balance sheet outside of lease liabilities and has a limited capital expenditure spend requirement on its data center operations. As noted earlier, mining operations will be due for an upgrade in the near future.

As of the date of the Opinion, Cathedra had 8,919,825 SV Shares and 208,446 MV Shares issued and outstanding, which are convertible into 20,844,600 SV Equivalent Shares. SV Shares pertain to legacy common shares with 1 vote per share, while MV Shares pertain to a newer class of common shares that were issued on July 22, 2024. Each MV Share is convertible into 100 SV Shares and provide 1.52 votes per MV Share. The aggregation of SV Shares and SV Equivalent Shares results in a total of 29,764,425 Cathedra Shares.

Cathedra also had 1,298,089 warrants and 724,793 options to acquire Cathedra Shares outstanding with weighted average exercise prices of C\$18.36 and C\$13.42 respectively as of the date of the Opinion. Cathedra also had 2,763,045 restricted stock units ("RSUs") outstanding as of the date of the Opinion.

Cathedra announced a non-brokered private placement to issue 430,000 units at an issue price of C\$1.25 for gross proceeds of C\$537,500 on December 3, 2025. Each unit consists of one SV Share and one SV Share purchase warrant, with each warrant entitling the holder thereof to acquire one additional SV Share at an exercise price of C\$1.88 per SV Share for a period of two years following closing of the offering.

As of the date of the Opinion, Cathedra's ten-day volume weighted average price ("VWAP") was \$0.441. Although only SV Shares are listed for trading on the TSXV, all SV Shares and MV Shares are being exchanged under the Arrangement. Therefore, in providing market capitalization ranges, Evans & Evans has multiplied the aforementioned VWAP figure by the total number of Cathedra Shares to arrive at an implied market capitalization of \$13.1 million.

- 1.06 Sphere was incorporated under the *Business Corporations Act* (Ontario) on May 2, 2007, as T.B. Mining Ventures Inc. On March 24, 2015, Sphere completed a short-form amalgamation with a wholly owned subsidiary and changed its name to “Sphere 3D Corp.” Sphere is based in Stamford, Connecticut. Sphere operates as a cryptocurrency miner and has prior experience in enterprise data services. Sphere is expanding its mining operations through the acquisition of mining equipment and by entering into agreements with data center operators. Sphere also operates one data center based in Iowa with a capacity of 8MW.

Prior to its transition to cryptocurrency mining, Sphere was engaged in the provision of services related to virtual desktop infrastructures, hardware platforms, data interchange, and storage management software. On December 28, 2023, Sphere entered into a share purchase agreement with Joseph O’Daniel, a related party, pursuant to which it divested its service and product segment, including HVE ConneXions and Unified ConneXions, for nominal consideration of \$1.00 and the transfer of the segment’s associated assets and liabilities. The divestiture was undertaken to allow Sphere to focus on the expansion of its bitcoin mining operations. Sphere currently has three subsidiaries: S3D Mining Corp., Sphere 3D Inc., and 101250 Investments Ltd. The Amalco Sub has been added prior to the Proposed Transaction.

Sphere’s business strategy is focused on the acquisition of bitcoin mining equipment, engagement with third-party hosting providers, and the enhancement of operational and cost efficiencies. Sphere also seeks vertical integration opportunities to manage and reduce power-related costs.

As of January 31, 2026, Sphere owned approximately 12,000 miners, of which approximately 5,400 were in service, and a total hashrate capacity of 985 PH/s. The distribution of the fleet across different sites is detailed in the table below. Starting from March 2025, Sphere also had a self-owned 8MW facility in Iowa, where about 25% of their deployed miners are being utilized.

	Sites Hosted by Cathdra	Iowa Site	Joshi Petroleum
Operating Capacity	10.0 MW	7.7 MW	2.9 MW
Operating Condition	Air-Cooled	Air-Cooled	Air-Cooled
Number of Machines	2,929	1,436	1,008

During 2025, Sphere mined 111.6 units of bitcoin. As of December 31, 2025, Sphere had a self-mined balance of 37.3 units of bitcoin.

Financial Position and Capital Structure

Sphere’s operating results are dependent on bitcoin and the broader cryptocurrency economy. Given the inherent volatility of the cryptocurrency economy, Sphere’s financial

performance has fluctuated historically and is expected to continue to fluctuate on a quarterly basis, reflecting prevailing market sentiment and movements in cryptocurrency valuations.

Sphere's FY ends on December 31. Sphere's revenue decreased by approximately 33%, from approximately \$16.6 million in FY2024 to \$11.2 million in FY2025, as compared to a 24% decrease from FY2023 to FY2024. Gross margin improved to 23.5% in FY2025 as compared to 19.4% in FY2024. Sphere's net loss position has increased from \$9.4 million in FY2024 to \$21.5 million in FY2025.

As of December 31, 2025, Sphere had debt-free working capital of \$6.9 million, and Sphere held approximately \$3.7 million in cash and \$3.2 million in bitcoin. Sphere has no long-term debt and has a monthly capital expenditure of \$291,160 based on the cash flow statements from Sphere's latest issued financial statements as of September 30, 2025 (the "Q3 Sphere Financials").

On February 6, 2026, Sphere announced it was effecting a reverse stock split (the "Consolidation") which became effective on February 9, 2026. At the effective time of the Consolidation, every ten Sphere Shares were automatically combined and converted into one Sphere Share, without any change in the par value per share.

The Consolidation reduced the number of Sphere Shares from 33,925,259 shares as of February 5, 2026 to 3,392,526 shares, subject to adjustment for fractional shares. Proportional adjustments will be made to the Sphere Shares upon exercise or conversion of Sphere's options and warrants, as well as the applicable exercise price, as applicable.

As of the date of the Opinion, Sphere had 3,476,336 Sphere Shares and 2,300 Series H preferred shares (the "Legacy Preferred Shares") issued and outstanding. Each Legacy Preferred Share is convertible into 142.857 Sphere Shares and has a stated value of \$10,000. The Legacy Preferred Shares are non-voting and do not accrue dividends and will have priority over Sphere Shares in the event of liquidation.

As of the date of the Opinion, Sphere's ten-day VWAP was \$1.415, implying a market capitalization of \$4.9 million.

As noted in the Agreement, Sphere maintains an at-the-market ("ATM") offering, where the Acquiror may continue to raise money up until the closing of the Proposed Transaction.

2.0 Engagement of Evans & Evans, Inc.

- 2.01 Evans & Evans was formally engaged by the Board pursuant to an engagement letter signed January 12, 2026 (the "Engagement Letter"). The Engagement Letter provides the terms upon which Evans & Evans has agreed to provide the Opinion to the Board.

The terms of the Engagement Letter provide that Evans & Evans is to be paid a fixed professional fee for its services, including the delivery of the Opinion. In addition, Evans

& Evans is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by Cathedra in certain circumstances. The fee established for the Opinion is not contingent upon the opinions presented or the successful completion of the Proposed Transaction.

3.0 Scope of Review

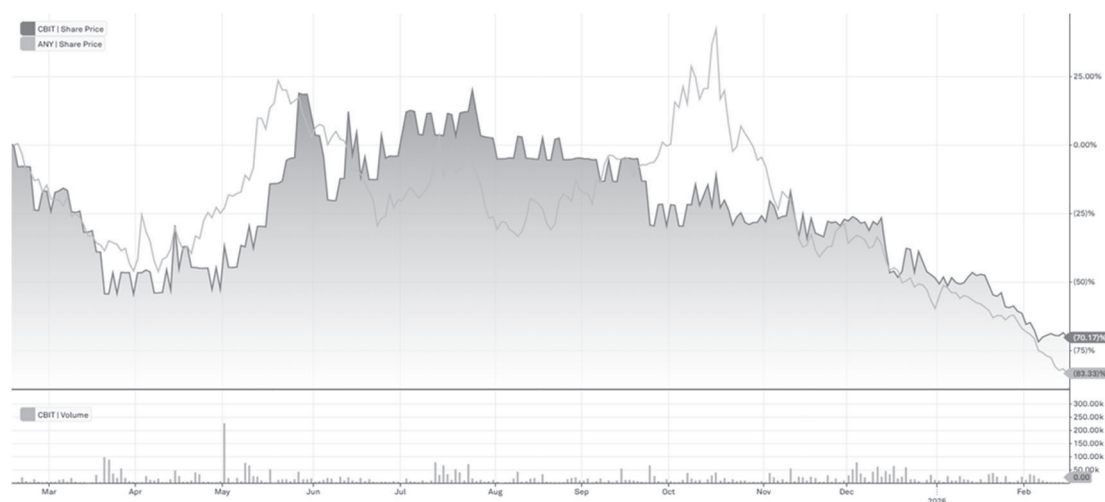
3.01 In connection with preparing the Opinion, Evans & Evans has reviewed and relied upon, or carried out, among other things, the following:

- Reviewed the Term Sheet between the Companies dated January 7, 2026.
- Reviewed the substantially final form of the Arrangement Agreement and associated Plan of Arrangement.
- Reviewed the various reports on bitcoin companies and the bitcoin industry.
- Reviewed the Companies' press releases for the 18 months preceding the date of the Opinion.
- Reviewed information on the Companies' markets from a variety of sources.
- Reviewed information on mergers and acquisitions involving bitcoin and mining companies.
- Reviewed the deal model of the Companies dated January 31, 2026.
- Reviewed synergies information provided by Cathedra representatives.
- Reviewed the most recent cash and cash equivalents information for the Companies as provided by management.
- Reviewed earnings before interest, tax and depreciation ("EBITDA") and cashflow projections for the combined entity ("Resulting Issuer") from 2026 to 2030.
- Reviewed the trading price of the Companies for the 12 months preceding the date of the Opinion. As can be seen from the following chart, the trading index of both Companies followed a similar path in the twelve months preceding the date of the Opinion, albeit with Sphere's trading price being more volatile than Cathedra. This is due to Sphere having a higher level of volatility as it is a mining company, while Cathedra both mines and hosts data centers. The trading price of both Companies has trended downwards since December 2025. Given the recent decline in prices, the 10-day VWAP of each of the Companies was 10% lower than the 30-day VWAP.

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- Reviewed financial and trading information on the following companies: Applied Digital Corporation, Bit Digital, Inc., Bitfarms Ltd., Cipher Mining Inc., CleanSpark, Inc., CryptoStar Corp., Digital Realty Trust, Inc., DMG Blockchain Solutions Inc., Equinix, Inc., Greenidge Generations Holding Inc., HIVE Digital Technologies Ltd., IREN Limited, MARA Holdings, Inc., Mawson Infrastructure Group Inc., Riot Platforms, Inc., SATO Technologies Corp., Soluna Holdings, Inc. and TeraWulf Inc.

Cathedra

- Interviews with management of Cathedra to gain an understanding of the rationale for the Proposed Transaction and future plans for Cathedra.
- Reviewed Cathedra's website <https://cathedra.com/> and the January 2026 Corporate Presentation.
- Reviewed Cathedra's draft trial balance for the three months ended December 31, 2025
- Reviewed Cathedra's unaudited Interim Condensed Consolidated Financial Statements for the nine months ended September 30, 2025.
- Reviewed Cathedra's Consolidated Financial Statements for the years ended December 31, 2022, to 2024 as audited by SRCO Professional Corporation, Chartered Professional Accountants.
- Reviewed Cathedra's Management Discussion & Analysis for the nine months ended September 30, 2025, and the year ended December 31, 2024.
- Reviewed Cathedra's organization chart as prepared by the management of the Company.

- Reviewed various materials and documents of the business combination of the Company.
- Reviewed the Company's mining operation summary in December 2025.
- Reviewed the Certificate of Incorporation dated August 15, 2018, and Corporate Bylaws of Fortress Blockchain Holdings Corp and Fortress Blockchain (US) Holdings Corp.
- Reviewed the Articles of Incorporation and Corporate Bylaws of various subsidiaries of the Company.
- Reviewed the Comprehensive Valuation Report on Kungsleden Inc. prepared by Evans & Evans dated May 23, 2024.

Sphere

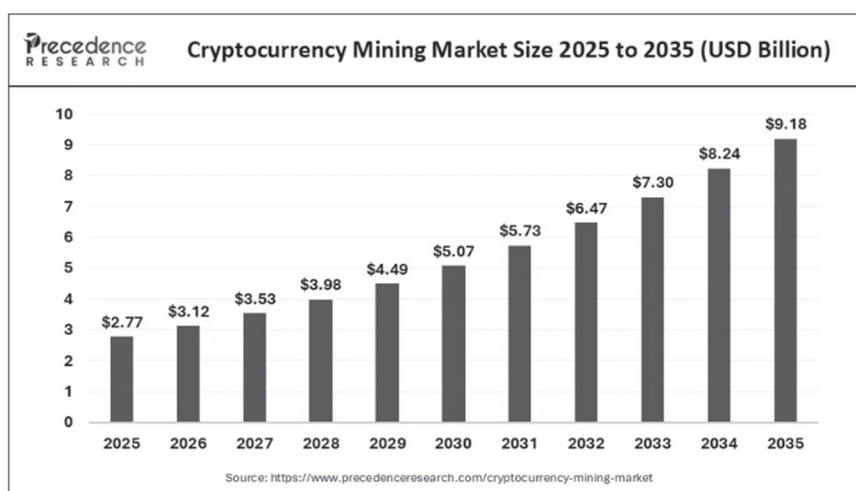
- Reviewed Sphere's website <https://sphere3d.gcs-web.com/> and the February 2026 Business Update.
- Reviewed Sphere's draft trial balance for the three months ended December 31, 2025.
- Reviewed Sphere's unaudited Interim Condensed Consolidated Financial Statements for the nine months ended September 30, 2025.
- Reviewed Sphere's Consolidated Financial Statements for the year ended December 31, 2024, as audited by MaloneBailey, LLP.
- Reviewed Sphere's Management Discussion & Analysis for the nine months ended September 30, 2025, and the year ended December 31, 2024.
- Reviewed Sphere's equipment distribution by location summary in December 2025.
- Reviewed Sphere's capitalization table as of February 13, 2026.
- Reviewed Sphere's ASIC fleet overview as of December 31, 2025.
- Reviewed various litigation documentations and information as provided by management of Sphere.
- **Limitation and Qualification:** Evans & Evans did not visit any of the sites or properties of the Companies. Evans & Evans has, therefore, relied on management's disclosure with respect to the machines / sites / operations of the Companies.

4.0 Market Overview

- 4.01 In determining the fairness of the Proposed Transaction as of the date of the Opinion, Evans & Evans reviewed the overall bitcoin mining market conditions and the market for co-location and data center companies.
- 4.02 The bitcoin mining industry is a foundational component of the bitcoin blockchain ecosystem, responsible for transaction validation and network security through a decentralized process known as Proof of Work (“PoW”). Under this mechanism, miners compete to solve complex cryptographic algorithms, with successful participants receiving compensation in the form of newly issued bitcoin and transaction fees.

The global cryptocurrency mining services market was valued at \$2.77 billion in 2025 and is expected to grow from \$3.12 billion in 2026 to approximately \$9.18 billion by 2035, representing a compound annual growth rate (“CAGR”) of 12.73% over the 2026-2035 period.⁴ Cryptocurrency mining is highly intensive on speed and power, requiring energy burning hardware that generates significant heat and is often treated as disposable. Profitability and operational stability are heavily influenced by power source reliability, limited backup infrastructure, and exposure to business interruption. Many operations rely on modular or self-built facilities that increase structural, cooling, and management, maintenance, and operational oversight.⁵

Cryptocurrency Mining Market Size 2025 to 2035 (USD Billion)⁶



The most recent bitcoin halving occurred on April 19, 2024, marking the fourth halving event in bitcoin’s history. This event cut the block reward for miners from 6.25 units of bitcoin to 3.125 units, significantly reducing the rate at which new bitcoin enters circulation.⁶ In October 2025, bitcoin's price reached record high reaching approximately

⁴ Cryptocurrency Mining Market Size To Hit USD 9.18 Bn By 2035

⁵ Cryptocurrency mining equipment breakdown risks | HSB Canada

⁶ 2024 Bitcoin Halving: One Year Later

\$125,000, supported by the investor optimism around pro crypto policies announced by the United States (“U.S.”) including supportive regulatory appointments, reduced enforcement actions and the introduction of landmark stablecoin regulations.⁷ This has subsequently declined to approximately \$71,000 by the date of the Opinion, further highlighting the volatile nature of the cryptocurrency asset.

- 4.03 In 2025, the U.S. President bitcoin mining sector generated an estimated \$4.1 billion in gross domestic product and supported the creation of over 31,000 jobs nationwide. The establishment of a Strategic Bitcoin Reserve in March 2025 contributed to renewed investor confidence across the cryptocurrency and mining sectors.⁸

This favorable sentiment has facilitated an increase in initial public offerings (“IPOs”) and the formation of specialized investment vehicles targeting mining-related enterprises. Notably, CoreWeave, Inc. led the year with a \$23 billion IPO valuation raising approximately \$1.5 billion, later rising to approximately \$42 billion post-listing^{9,10}, highlighting miners pivot towards Artificial Intelligence (“AI”) infrastructure. Among crypto-native firms, Circle Internet Financial, Inc. raised approximately \$1.05 billion at IPO and reached a valuation above \$8.06 billion¹¹, while Figure Technologies, Inc. raised \$787 million in its IPO, reflecting a valuation of \$5.3 billion, reflecting growing integration of blockchain and traditional finance.¹² In contrast, eToro Group Ltd. and Gemini Trust Company, LLC traded below its offer prices, underscoring weaker retail trading activity and a shift toward decentralized and fee-based revenue models.¹³

On March 6, 2025, the U.S. signed an executive order establishing the Strategic Bitcoin Reserve. This initiative repurposes over \$17 billion in forfeited bitcoin from criminal and civil cases to build a federal reserve of digital currency. The reserve aims to position the U.S. as a global leader in digital assets. The bitcoin in the reserve are to be held as long-term assets, not for sale.¹⁴

The U.S.’s stance has contributed to increased capital inflows into the bitcoin mining sector. Since November 2024, companies such as Marathon Digital Holdings, Riot Platforms, Inc., and CleanSpark LLC have collectively raised in excess of \$3.7 billion, capitalizing on elevated bitcoin prices to expand its operations and accumulate additional bitcoin reserves. This influx of investment has supported the industry’s growth trajectory and enhanced its overall resilience.¹⁵

⁷ <https://www.ft.com/content/faeb72a0-62ce-4d60-968e-5b932ea9c7e4>

⁸ <https://www.ainvest.com/news/bitcoin-mining-industry-attracts-institutional-investors-regulatory-favorability-2505>

⁹ CoreWeave nets \$1.5 billion in below-target IPO, stock to launch Friday on Nasdaq: Bloomberg | The Block

¹⁰ Crypto companies revive the IPO route in 2025 | MEXC News

¹¹ Circle Raises \$1.05 Billion in Blockbuster IPO, Valued at Over \$8 Billion - FinTech Weekly

¹² Figure Technologies Prices IPO Raises \$787M at \$5.3B Valuation

¹³ Crypto companies revive the IPO route in 2025 | MEXC News

¹⁴ <https://www.investopedia.com/what-s-inside-and-why-it-matters-11718655>

¹⁵ <https://www.ft.com/content/0cfbe43c-7c2a-40bf-8bb7-92f58a9d2389>

On April 2, 2025, the U.S introduced a new baseline 10% tariff on imports from all foreign economies, with significantly higher rates applied to select countries. This policy marked a material departure from the global trade framework that had been in place for over 75 years. Although the implementation of the tariff regime has been subject to pauses and subsequent restarts by the U.S. government, the resulting uncertainty has contributed to heightened volatility in global equity markets.

As of January 2026, according to the World Population Review heatmap, the U.S. leads the global bitcoin mining output with 37.84% of total hashrate, followed by China (21.11%), Kazakhstan (13.22%) and Canada (6.48%).¹⁶

Bitcoin Mining by Country 2026



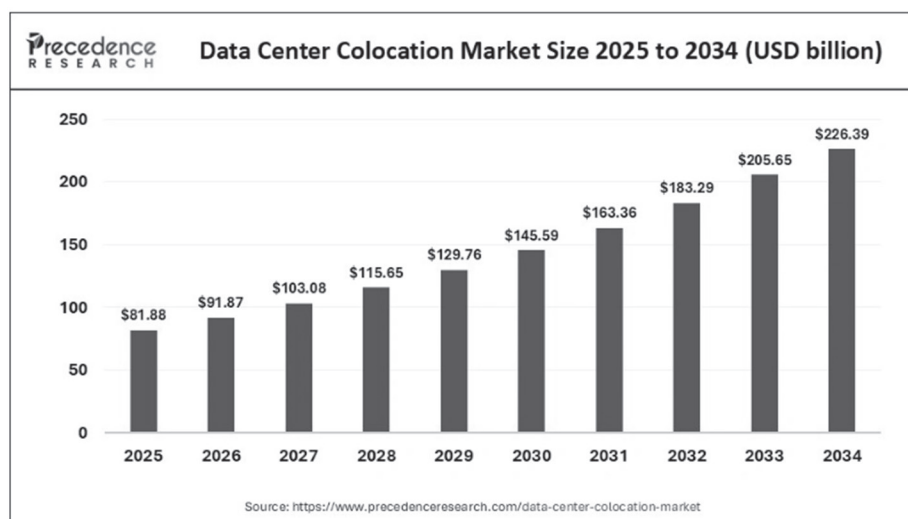
Canada's regulatory landscape for bitcoin mining remains highly fragmented, with certain provinces implementing restrictions on mining activity, while others have adopted a more supportive stance. Canada ranks as the fourth largest mining producer accounting for 6% of global output. Mining operations consume 2% of national electricity representing 3% of total power generation, underscoring the sector's growing role in Canada's economy.¹⁷

- 4.04 The global data center colocation market size was estimated at \$81.9 billion in 2025 and is projected to grow to approximately \$226.4 billion by 2034, representing a CAGR of 12.0% from 2025 to 2034. Data center colocation offices are typically located off- premises and can be partially managed by providers to ensure data access during system failures. Growing demand for reliable, scalable, and secure infrastructure to support data recovery and business continuity is driving market growth.¹⁸

¹⁶ Bitcoin Mining by Country 2026

¹⁷ Leading Countries in Cryptocurrency Mining: China, United States, and the New Geography of Global Production | MEXC News

¹⁸ Data Center Colocation Market Size To Hit USD 226.39 Bn By 2034



Bitcoin mining companies are increasingly repurposing existing infrastructure to support AI and high-performance compute (“HPC”) applications, in pursuit of more stable and diversified revenue streams. According to data published by Forbes, AI data centers accounted for approximately 4% of total electricity consumption in the United States in 2022. Projections indicate that by 2030, AI-related workloads may consume an estimated 4% of global energy supply, underscoring the substantial growth and energy intensity associated with this sector.¹⁹

North America is the largest data center colocation market, accounting for approximately 45% of the global market share, supported by the increasing demand for cloud services, big data analytics, and IoT adoption. Regulatory support, particularly in data privacy and security, further catalyzes market expansion. The U.S. leads the region, followed by Canada, with approximately 10% of the market share. According to data published by the U.S. Energy Information Administration, electricity demand from data centers continues to rise, reinforcing the need for energy-efficient colocation facilities.²⁰

The North America hyperscale data center market is projected to grow from \$40.7 billion in 2025 to reach \$256.1 billion by 2031, growing at a CAGR of 35.9%. The volume of installed IT capacity climbs from 36,307 MW to 77,457 MW during the same period, signaling a 13.5% CAGR in power demand. The expansion reflects a pivot toward AI-centric workloads that push rack densities far beyond legacy thresholds, stimulate heavy investment in liquid-based thermal systems, and elevate the cost of power delivery infrastructure. Some of the recent investments in the sector include Digital Realty Trust’s \$10 billion U.S. Hyperscale Data Center Fund focused on AI halls, and STACK Infrastructure Inc.’s \$6 billion green financing for new campuses in Virginia, Oregon, and Ontario.²¹

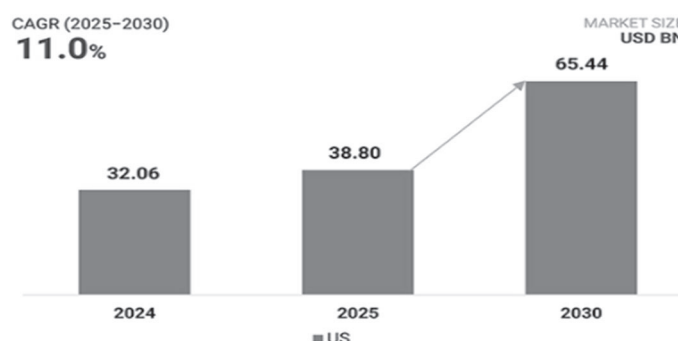
¹⁹ <https://blog.neterra.cloud/en/crypto-was-once-the-data-center-darling-now-its-becoming-a-burden/>

²⁰ Data Center Colocation Market Size, Industry Analysis - 2035

²¹ North America Hyperscale Data Center Market Size, Share & 2030 Growth Trends Report

The U.S. data center colocation market is estimated at \$38.8 billion in 2025. It is expected to grow to about \$65.4 billion by 2030, indicating a CAGR of approximately 11% in this period.²² More than 570 announced and planned colocation and hyperscale self-built data center projects in the United States are expected to add over 100 gigawatt (“GW”) of capacity, with many developments still awaiting grid connections. Virginia, Texas, Arizona, Illinois, Nevada, Georgia and Ohio together account for more than 70% of the upcoming capacity in the market, while Colorado, Indiana, Louisiana, Oregon, North Carolina, Pennsylvania, Missouri, and Minnesota are each attracting over a \$1 billion in data center investment.²³

U.S. data center colocation market, 2025-2030 (US\$ Billion)



Canada's data center colocation market is estimated at \$1.4 billion in 2024, with projections to reach \$2.1 billion by 2030, reflecting a CAGR of 7.3%. Toronto and Montreal remain the primary centers for data center growth in Canada, driven by the development of advanced facilities and dedicated cloud infrastructure. For instance, Toronto hosts around 35 existing data center facilities, followed by Montreal with 29 data center facilities. This number is expected to rise steadily as both established operators and new entrants continue to invest in expanding the country's digital infrastructure.²⁴

5.0 Prior Valuations

- 5.01 The Company has stated to Evans & Evans that there have been no formal valuations or appraisals relating to the Company or any affiliate or any of its material assets or liabilities made in the preceding 18 months which are in the possession or control of the Company.
- 5.02 Previously, Evans & Evans was engaged by Cathedra to prepare an independent comprehensive valuation report (the “2023 Valuation Report”) to determine the fair market value of 100% of the issued and outstanding shares of Kungsliden as of December 31,

²² US Data Center Colocation Market

²³ U.S. Colocation Data Center Portfolio Report 2025: Detailed Analysis of 1,127 Existing and 413 Upcoming Colocation Data Centers, 150 Upcoming Hyperscale Self-built Data Centers - ResearchAndMarkets.com

²⁴ Canada Data Center Colocation Market Size & Share, Demand & Supply Forecast

2023. The 2023 Valuation Report was prepared for the purposes of the K-Merger as noted above.

- 5.02 No formal valuations or appraisals related to the Acquiror were made available to Evans & Evans.

6.0 Conditions and Restrictions

- 6.01 The Opinion may not be issued to anyone, nor relied upon by any party beyond the Board, the Exchanges and the court approving the Proposed Transaction. The Opinion may be referenced and/or included in Cathedra's information circular and may be submitted to the Cathedra Shareholders.
- 6.02 The Opinion may not be issued to any international stock exchange and/or regulatory authority beyond the Exchanges.
- 6.03 The Opinion may not be issued and/or used to support any type of value with any other third parties, legal authorities, nor stock exchanges, or other regulatory authorities, nor any Canadian or international tax authority. Nor can it be used or relied upon by any of these parties or relied upon in any legal proceeding and/or court matter (other than relating to the approval of the Proposed Transaction).
- 6.04 Any use beyond that defined above is done without the consent of Evans & Evans and readers are advised of such restricted use as set out above.
- 6.05 The Opinion should not be construed as a formal valuation or appraisal of Cathedra, Sphere or any of their securities or assets. Evans & Evans has, however, conducted such analyses as considered necessary in the circumstances.
- 6.06 In preparing the Opinion, Evans & Evans has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Companies, either directly or through access to the respective data rooms. Evans & Evans has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Opinion has also been used.

The Opinion is based on: (i) our interpretation of the information which the Companies, as well as their representatives and advisers, have supplied to date; (ii) our understanding of the terms of the Proposed Transaction; and (iii) the assumption that the Proposed Transaction will be consummated in accordance with the expected terms.

- 6.07 The Opinion is necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us until the date of the Opinion. It is understood that subsequent developments may affect the conclusions of the

Opinion, and that, in addition, Evans & Evans has no obligation to update, revise or reaffirm the Opinion.

- 6.08 Evans & Evans denies any responsibility, financial, legal or other, for any use and/or improper use of the Opinion however occasioned.
- 6.09 Evans & Evans is expressing no opinion as to the price at which any securities of Cathedra or Sphere will trade on any stock exchange at any time.
- 6.10 Evans & Evans was not requested to, and did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of or merger with Cathedra. Our opinion also does not address the relative merits of the Proposed Transaction as compared to any alternative business strategies or transactions that might exist for Cathedra, the underlying business decision of Cathedra to proceed with the Proposed Transaction, or the effects of any other transaction in which Cathedra will or might engage.
- 6.11 Evans & Evans expresses no opinion or recommendation as to how any Cathedra Shareholder should vote or act in connection with the Proposed Transaction, any related matter or any other transactions. We are not experts in, nor do we express any opinion, counsel or interpretation with respect to legal, regulatory, accounting or tax matters. We have assumed that such opinions, counsel or interpretation have been or will be obtained by Cathedra from the appropriate professional sources. Furthermore, we have relied, with Cathedra's consent, on the assessments by Cathedra and its advisors, as to all legal, regulatory, accounting and tax matters with respect to Cathedra and the Proposed Transaction, and accordingly we are not expressing any opinion as to the value of Cathedra's tax attributes or the effect of the Proposed Transaction thereon.
- 6.12 Evans & Evans is expressing no opinion as to whether any alternative transaction might have been more beneficial to the Cathedra Shareholders.
- 6.13 Evans & Evans reserves the right to review all information and calculations included or referred to in the Opinion and, if it considers it necessary, to revise part and/or its entire Opinion and conclusion in light of any information which becomes known to Evans & Evans during or after the date of this Opinion.
- 6.14 In preparing the Opinion, Evans & Evans has relied upon a letter from management of the Company confirming to Evans & Evans in writing that the information and management's representations made to Evans & Evans in preparing the Opinion are accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Opinion.
- 6.15 Evans & Evans has based its Opinion upon a variety of factors. Accordingly, Evans & Evans believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by Evans & Evans, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily

susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Evans & Evans' conclusions as to the fairness, from a financial point of view, to the Cathedra Shareholders of the Proposed Transaction were based on its review of the Proposed Transaction taken as a whole, in the context of all of the matters described under "Scope of Review", rather than on any particular element of the Proposed Transaction or the Proposed Transaction outside the context of the matters described under "Scope of Review". The Opinion should be read in its entirety.

- 6.16 Evans & Evans and all of its Principal's, Partner's, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Opinion. No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Opinion.

7.0 Assumptions

- 7.01 In preparing the Opinion, Evans & Evans has made certain assumptions as outlined below.
- 7.02 With the approval of Cathedra and as provided for in the Engagement Letter, Evans & Evans has relied upon, and has assumed the completeness, accuracy and fair presentation of, all financial information, business plans, forecasts and other information, data, advice, opinions and representations obtained by it from public sources or provided by the Cathedra or its affiliates or any of its respective officers, directors, consultants, advisors or representatives or any information made available through access to the Companies' data rooms (collectively, the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation of the Information. In accordance with the terms of the Engagement Letter, but subject to the exercise of its professional judgment, and except as expressly described herein, Evans & Evans has not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.
- 7.03 Senior officers of the Company represented to Evans & Evans that, among other things: (i) the Information (other than estimates or budgets) provided orally by, an officer or employee of Cathedra or in writing by Cathedra (including, in each case, affiliates and its respective directors, officers, consultants, advisors and representatives) to Evans & Evans relating to the Companies, its affiliates or the Proposed Transaction, for the purposes of the Engagement Letter, including in particular preparing the Opinion was, at the date the Information was provided to Evans & Evans, fairly and reasonably presented and complete, true and correct in all material respects, and did not, and does not, contain any untrue statement of a material fact in respect of the Companies, its respective affiliates or the Proposed Transaction and did not and does not omit to state a material fact in respect Companies, its respective or the Proposed Transaction that is necessary to make the Information not misleading in light of the circumstances under which the Information was

made or provided; (ii) with respect to portions of the Information that constitute financial estimates or budgets, they have been fairly and reasonably presented and reasonably prepared on bases reflecting the best currently available estimates and judgments of management of the Companies or its associates and affiliates as to the matters covered thereby and such financial estimates and budgets reasonably represent the views of management of the Companies; and (iii) since the dates on which the Information was provided to Evans & Evans, except as disclosed in writing to Evans & Evans, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Companies or any of its affiliates and no material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on the Opinion.

- 7.04 In preparing the Opinion, Evans & Evans has made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to us, all of the conditions required to implement the Proposed Transaction will be met, all consents, permissions, exemptions or orders of relevant third parties or regulating authorities will be obtained without adverse condition or qualification, the procedures being followed to implement the Proposed Transaction are valid and effective and that the disclosure provided or (if applicable) incorporated by reference in any information circular provided to shareholders with respect to the Company, Sphere and the Proposed Transaction will be accurate in all material respects and will comply with the requirements of applicable law. Evans & Evans also made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Evans & Evans and any party involved in the Proposed Transaction. Although Evans & Evans believes that the assumptions used in preparing the Opinion are appropriate in the circumstances, some or all of these assumptions may nevertheless prove to be incorrect.
- 7.05 The Companies and all of their related parties and principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Opinion that would affect the evaluation or comment.
- 7.06 As of December 31, 2025, all assets and liabilities of the Company and Sphere have been recorded in its accounts and financial statements. The Company follows International Financial Reporting Standards (“IFRS”) while Sphere follows Accounting Principles Generally Accepted in the United States of America (“US GAAP”).
- 7.07 There were no material changes in the financial position of the Companies between the date of their most recent draft income statement and balance sheet (December 31, 2025) and the date of the Opinion, unless noted in the Opinion. Evans & Evans specifically draws reference to more recent cash and debt balances of the Companies as outlined in section 1.0 of this Opinion.

- 7.08 All options and warrants are not “in-the-money” based on the trading price of the Companies, and are not being exercised in the Proposed Transaction.
- 7.09 Representations made by the Companies in the Agreement as to the number of securities outstanding are accurate.

8.0 Analysis of Cathedra

- 8.01 In assessing the fairness of the Proposed Transaction, Evans & Evans considered the following analyses and factors, amongst others with respect to Cathedra: (1) trading price analysis; (2) guideline public company analysis; (3) net asset value (“NAV”), (4) qualitative factors analysis; and (5) other considerations.
- 8.02 Evans & Evans reviewed Cathedra’s trading prices over the 10, 30, 90 and 180 trading days preceding the date of the Opinion. Only the SV Shares are listed for trading on the TSXV. As can be seen from the following table, the closing share price of the SV Shares on the TSXV decreased from an average of \$1.03 to \$0.44 per SV Share in the 180 trading days preceding the date of the Opinion. In the 90 trading days preceding the date of the Opinion, the SV Shares closing share price trended down to an average closing price of \$0.44 per SV Share.

While Evans & Evans reviewed data over a 180-day trading period, the analysis focused on the 10 to 90 days preceding the date of the Opinion. In the view of Evans & Evans, given changes in the market, a long-term view is not appropriate.

Trading Price (USD)	March 5, 2026		
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>
10-Days Preceding	\$0.40	\$0.44	\$0.47
30-Days Preceding	\$0.39	\$0.47	\$0.64
90-Days Preceding	\$0.39	\$0.76	\$1.17
180-Days Preceding	\$0.39	\$1.03	\$1.65

In undertaking the share price analysis, the authors of the Opinion deemed it necessary to examine the trading history of Cathedra to determine the actual ability of the Cathedra Shareholders to realize the implied value of their shares (i.e., sell) and to determine if the transaction would offer increased liquidity to the holders of Cathedra Shares.

In reviewing the trading volumes of the Cathedra Shares at the date of the Opinion, in the 90 trading days preceding the date of the Opinion, approximately 1,447,218 Cathedra Shares traded, representing 6.9% of the Cathedra Shares and 16.2% of SV Shares. The limited liquidity in the Cathedra Shares implies that the ability of large numbers of Cathedra Shareholders being able to convert their Cathedra Shares to cash is limited.

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Trading Volume	March 5, 2026					
	Minimum	Average	Maximum	Total	Cathedral Shares %	SV Shares %
10-Days Preceding	2,110	7,093	14,512	70,929	0.2%	0.2%
30-Days Preceding	500	10,034	38,069	301,013	1.0%	1.0%
90-Days Preceding	400	16,080	77,636	1,447,218	4.9%	4.9%
180-Days Preceding	333	14,974	78,373	2,695,386	9.2%	9.2%

Given the limited trading volumes, Evans & Evans also considered the VWAP of Cathedra. Over the 30 trading days preceding the date of the Opinion, the VWAP of the SV Shares ranged from \$0.435 to \$0.494 on the TSXV. As noted above, Cathedra's VWAP was trending downwards as of the date of the Opinion when comparing 10-day to 30-day VWAP.

USD

10-Day VWAP	\$0.441	20-Day VWAP	\$0.435
15-Day VWAP	\$0.438	30-Day VWAP	\$0.494

The Exchange Ratios imply a value for Cathedra in the range of \$0.1719 to \$0.1965 per Cathedra Share, which is lower than the trading price as of the date of the Opinion. As can be seen from the following tables, the Exchange Ratios represent a discount of 57.6% to 60.7% over the SV Shares' VWAP.

In USD			Exchange Ratio	Implied Value	Discount to
As at March 5, 2026	CBIT	ANY		CBIT	VWAP
10 - Day VWAP	0.441	1.415	0.12301	0.1741	-60.5%
15 - Day VWAP	0.438	1.397	0.12301	0.1719	-60.7%
20 - Day VWAP	0.435	1.498	0.12301	0.1843	-57.6%
30 - Day VWAP	0.494	1.597	0.12301	0.1965	-60.3%

8.03 The enterprise value²⁵ ("EV") implied for Cathedra by the Exchange Ratios is \$5.6 million²⁶. Based on Cathedra's trailing twelve month revenue ("TTM revenue") as of December 31, 2025, the EV / TTM revenue multiple for Cathedra as implied by the Proposed Transaction is 0.36x. Evans & Evans considered the EV to TTM revenue multiple implied by the Proposed Transaction by comparing the metrics indicated for referenced guideline public companies ("GPCs"). The identified GPCs selected were considered reasonably comparable to the Company.

As shown in the table below, the identified GPCs had EV to TTM revenue multiples ranging from 0.86x to 5.61x, with a median of 1.95x. This indicates the EV / TTM revenue multiple implied by Proposed Transaction is below the range of GPCs, implying that that share appreciation would be required in order for Cathedra Shareholders to benefit from the Proposed Transaction.

²⁵ EV = Value of equity less cash plus debt

²⁶ Based on the 20-day VWAP of Sphere

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	CryptoStar Corp.	DMG Blockchain Solutions Inc.	Greenidge Generation Holdings Inc.	HIVE Digital Technologies Ltd.	SATO Technologies Corp.	Soluna Holdings, Inc.
Exchange: Ticker	TSXV:CSTR	TSXV:DMGI	ASDAQ:GREE	TSXV:HIVE	TSXV:SATO	AQCM:SLNH
Market Capitalization	2	43	23	731	6	131
Enterprise Value	1	43	61	701	8	161
LFY Revenue	2	34	60	115	11	38
TTM Revenue	0	34	62	193	9	29
CFY Revenue	NA	27	NA	332	8	31
NFY Revenue	NA	22	NA	480	NA	45
LFY EBITDA	-1	6	1	29	3	-32
TTM EBITDA	-2	6	1	106	1	-41
CFY EBITDA	NA	0	NA	139	NA	NA
NFY EBITDA	NA	0	NA	180	NA	NA
EV/LFY Revenue	0.48 x	1.27 x	1.02 x	6.08 x	0.70 x	4.25 x
EV/TTM Revenue	2.63 x	1.27 x	0.98 x	3.63 x	0.86 x	5.61 x
EV/CFY Revenue	n/a	1.61 x	n/a	2.11 x	0.93 x	5.19 x
EV/NFY Revenue	n/a	493.22 x	n/a	22.96 x	n/a	242.91 x
EV/LFY EBITDA	-0.88 x	7.30 x	53.95 x	24.27 x	2.32 x	-5.09 x
EV/TTM EBITDA	n/a	7.30 x	49.45 x	6.63 x	10.93 x	n/a

In assessing the reasonableness of the above, we considered the following:

- There are a limited number of directly comparable public companies, when one considers differentiating factors such as size and market niche.
- No company considered in the analysis is identical to Cathedra.
- An analysis of the results of the foregoing necessarily involves complex considerations and judgments concerning the differences in the financial and operating characteristics of Cathedra, the Proposed Transaction and other factors that could affect the trading value and aggregate transaction values of the companies to which they are being compared.

Given the above-noted factors and our analysis of the observed multiples of selected public companies, Evans & Evans considered this approach with the trading price in assessing reasonableness of the Exchange Ratios.

- 8.04 In assessing the fairness of the Exchange Ratios, Evans & Evans also considered the NAV of Cathedra. A NAV calculation starts with the management-prepared balance sheet as of December 31, 2025, and removes any intangible assets and goodwill as well as performing analysis surrounding the fair market value of certain assets (such as cryptocurrency assets). The NAV yielded an higher equity value than the implied equity value of the Proposed Transaction of \$5.7 million. Although the NAV is higher than the Proposed Transaction, in the view of Evans & Evans, it is more reflective of the fair market value of Cathedra than the trading price given the issues with liquidity as outlined in section 8.02 of this Opinion. Given the significant capital expenditure requirements for mining and hosting bitcoin, Evans & Evans included this approach in considering the value of Cathedra pre-Proposed Transaction.

- 8.05 As noted earlier, Cathedra completed a private placement in December 2025, issuing 430,000 units at an issue price of C\$1.25 for gross proceeds of CAD 537,500. As at December 3, 2025, the 10-day VWAP of the SV Shares was C\$1.37, and had declined to C\$0.60 as at the date of the Opinion. Given the change in the trading price of the SV Shares between the date of the financing and the date of the Opinion, combined with the small number of SV Shares issued, Evans & Evans did not consider the value implied by this financing in assessing the fairness of the Proposed Transaction.
- 8.06 Evans & Evans also considered the Mergers & Acquisitions Method in assessing the pre-Proposed Transaction value of Cathedra. However, there were little comparable transactions in recent periods with sufficient data that could be relied upon for the purposes of this exercise. Only one relevant comparable transaction was identified, noting an EV / TTM revenue multiple of 1.96x which is comparable to the multiple noted per the GPC method above and below the multiple implied by the Exchange Ratios.
- 8.07 In assessing the fairness of the Exchange Ratios and the Proposed Transaction, Evans & Evans considered a weighting of the above valuation approaches.

9.0 Analysis of Sphere

- 9.01 In assessing the fairness of the Proposed Transaction, Evans & Evans considered the following analyses and factors, amongst others with respect to Sphere: (1) trading price analysis; (2) guideline public company analysis; (3) NAV, (4) qualitative factors analysis; and (5) other considerations.
- 9.02 Evans & Evans reviewed Sphere's trading prices over the 10, 30, 90 and 180 trading days preceding the date of the Opinion. All share values for Sphere below are noted at post share consolidation figures. As can be seen from the following table, Sphere's closing share price on the NasdaqCM decreased from an average of \$5.24 to \$1.35 per Sphere Share. Overall, in the 90 days preceding the date of the Opinion, the Sphere Shares were trading in a range of \$1.09 to \$10.50 per Sphere Share. In the 30 trading days preceding the date of the Opinion, the closing price of the Sphere Shares continued to trend downwards, with the average closing price decreasing to \$1.35 per Sphere Share.

While Evans & Evans reviewed data over a 180-day trading period, the analysis focused on the 10 to 90 days preceding the date of the Opinion. In the view of Evans & Evans, given changes in the market, a long-term view is not appropriate.

Trading Price	March 5, 2026		
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>
10-Days Preceding	\$1.09	\$1.35	\$1.60
30-Days Preceding	\$1.09	\$1.85	\$2.80
90-Days Preceding	\$1.09	\$3.82	\$7.95
180-Days Preceding	\$1.09	\$5.24	\$10.50

In undertaking the share price analysis, the authors of the Opinion deemed it necessary to examine the trading history of Sphere to determine the actual ability of the Cathedra Shareholders to realize the implied value of the Sphere Shares received under the Proposed Transaction (i.e., sell) and to determine if the Proposed Transaction would offer increased liquidity to the holders of Cathedra Shares post-Proposed Transaction.

In reviewing the trading volumes of the Sphere Shares at the date of the Opinion, in the 90 trading days preceding the date of the Opinion, approximately 8,662,385 Sphere Shares traded, representing 255.3% of Sphere's issued and outstanding shares. As can be seen from the table below, trading in Sphere Shares is much more liquid than trading of Cathedra's SV Shares.

Trading Volume	March 5, 2026				
	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>	<u>Total</u>	<u>%</u>
10-Days Preceding	87,774	297,203	827,269	2,972,030	87.6%
30-Days Preceding	30,649	185,447	827,269	5,563,405	164.0%
90-Days Preceding	13,949	96,249	827,269	8,662,385	255.3%
180-Days Preceding	10,352	97,491	958,449	17,548,378	517.3%

Evans & Evans also considered the VWAP of Sphere. Over the 30 trading days preceding the date of the Opinion, Sphere's VWAP ranged between \$1.397 to \$1.597 on the NasdaqCM. As noted above, Sphere's VWAP was trending downwards as of the date of the Opinion.

10-Day VWAP	\$1.415	20-Day VWAP	\$1.498
15-Day VWAP	\$1.397	30-Day VWAP	\$1.597

- 9.03 Evans & Evans also compared Sphere's current EV to TTM revenue multiple to the of certain GPCs deemed comparable to Sphere. The identified guideline companies selected were considered reasonably comparable to Sphere. As of March 5, 2026, Sphere's EV to TTM revenue multiple was in the range of 0.37x.

As shown in the table below, the identified GPCs had EV to TTM revenue multiples ranging from 0.86x to 5.61x, with a median of 2.63x. This indicates that Sphere is trading well below the multiples of its peers.

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	CleanSpark, Inc.	CryptoStar Corp.	DMG Blockchain Solutions Inc.	Greenidge Generation Holdings Inc.	HIVE Digital Technologies Ltd.	SATO Technologies Corp.	Soluna Holdings, Inc.
Exchange: Ticker	NASDAQCM:CLSK	TSXV:CSTR	TSXV:DMGI	SDAQGS:GREE	TSXV:HIVE	TSXV:SATO	SDAQCM:SLNH
Market Capitalization	3,371	2	43	23	731	6	131
Enterprise Value	4,149	1	43	61	701	8	161
LFY Revenue	766	2	34	60	115	11	38
TTM Revenue	766	0	34	62	193	9	29
CFY Revenue	817	NA	27	NA	332	8	31
NFY Revenue	953	NA	22	NA	480	NA	45
LFY EBITDA	252	-1	6	1	29	3	-32
TTM EBITDA	252	-2	6	1	106	1	-41
CFY EBITDA	341	NA	0	NA	139	NA	NA
NFY EBITDA	424	NA	0	NA	180	NA	NA
EV/LFY Revenue	5.41 x	0.48 x	1.27 x	1.02 x	6.08 x	0.70 x	4.25 x
EV/TTM Revenue	5.41 x	2.63 x	1.27 x	0.98 x	3.63 x	0.86 x	5.61 x
EV/CFY Revenue	5.08 x	n/a	1.61 x	n/a	2.11 x	0.93 x	5.19 x
EV/NFY Revenue	11.57 x	n/a	493.22 x	n/a	22.96 x	n/a	242.91 x
EV/LFY EBITDA	16.44 x	-0.88 x	7.30 x	53.95 x	24.27 x	2.32 x	-5.09 x
EV/TTM EBITDA	16.44 x	n/a	7.30 x	49.45 x	6.63 x	10.93 x	n/a

In assessing the reasonableness of the above, we considered the following:

- There are a limited number of directly comparable public companies, when one considers differentiating factors such as size and market niche.
- No company considered in the analysis is identical to Sphere.
- An analysis of the results of the foregoing necessarily involves complex considerations and judgments concerning the differences in the financial and operating characteristics of Sphere, the Proposed Transaction and other factors that could affect the trading value and aggregate transaction values of the companies to which they are being compared.

9.04 In assessing the fairness of the Exchange Ratios, Evans & Evans also considered the NAV of Cathedra. A NAV calculation starts with the management-prepared balance sheet as of December 31, 2025, and removes any intangible assets and goodwill as well as performing analysis surrounding the fair market value of certain assets (such as cryptocurrency assets). The NAV yielded an implied equity value that is significantly higher than Sphere's implied market capitalization of \$5.2 million. As the NAV of Sphere is significantly above its market capitalization this provides evidence of the potential for share appreciation for the Resulting Issuer.

9.05 In assessing the fairness of the Proposed Transaction, Evans & Evans considered a weighting of the above valuation approaches for Sphere.

10.0 Analysis of Resulting Issuer

10.01 Management of the Companies is forecasting significant synergies relating to the combination of the Companies. In assessing the fairness of the Proposed Transaction, Evans & Evans considered a discounted cash flow ("DCF") analysis for the Resulting Issuer.

10.02 Prospective financial information (“PFI”) for the Resulting Issuer was based on management provided forecasts for the FYs 2026 to 2030. In undertaking the DCF analysis, Evans & Evans relied on the Reporting Issuer’s PFI for EBITDA, working capital requirements and capital expenditures. The Resulting Issuer is forecasting significant revenue growth from 2026 to 2030 at a CAGR of 27.2%, with EBITDA margins improving from 19.5% in 2026 to 48.6% by 2030. Revenue growth and margin improvement is being driven by the anticipated synergies between the Companies due to the Proposed Transaction. Evans & Evans developed a weighted average cost of capital (“WACC”) for the Resulting Issuer using a combination of data specific to the Companies and industry benchmarked data. Evans & Evans used a WACC of 33.0% to 35.0% in undertaking the DCF analysis. In undertaking the DCF analysis, Evans & Evans noted the implied equity value for the Resulting Issuer was significantly above the combined equity values for the Companies as calculated by Evans & Evans.

11.0 Fairness Conclusions

11.01 In considering fairness of the Proposed Transaction, from a financial point of view, Evans & Evans considered the Proposed Transaction from the perspective of the Cathedra Shareholders as a group and did not consider the specific circumstances of any particular securityholder, including with regard to income tax considerations.

11.02 Based upon and subject to the foregoing and such other matters as we consider relevant, it is our opinion, as of the date hereof and the date of the Opinion, that the Proposed Transaction and Exchange Ratios are fair, from a financial point of view, to the Cathedra Shareholders.

11.03 In arriving at the conclusion as to fairness, from a financial standpoint, Evans & Evans did consider the following quantitative and qualitative issues which shareholders might consider when reviewing the Proposed Transaction. Evans & Evans has not attempted to quantify the qualitative issues.

- a. As outlined in section 8.0, the Exchange Ratios imply a discount to the current VWAP of Cathedra. However, there is limited trading volume in the MV Shares and the SV Shares are not listed for trading, so the Cathedra Shareholders should see increased liquidity post-Proposed Transaction.
- b. Evans & Evans found the NAVs of the Companies were more supportive of the Proposed Transaction than their current market capitalizations. The respective NAVs of the Companies are supportive of the Cathedra Shareholders’ ownership position in the Resulting Issuer.
- c. As noted above, the synergies expected from the Proposed Transaction are forecast to improve both revenue growth and margin improvement for the Resulting Issuer. As such, there is the potential for share appreciation post Proposed Transaction.

- d. Evans & Evans found in its analysis that GPCs that are listed on U.S. exchanges tend to trade at higher multiples than their peers trading on Canadian stock exchanges. Thus, if the EV to TTM revenue multiple of the Resulting Issuer moves up to be in the range of Cathedra pre-Proposed Transaction, this combined with the increased liquidity would be beneficial to the Cathedra Shareholders.
- e. Cathedra has not made significant new machine purchases, and its current fleet is relatively aged. Sphere has a more updated fleet, following significant capital expenditures in 2024 and 2025. Furthermore, Sphere has a single data center with 8MW capacity, while Cathedra has several data centers aggregating to a capacity of 45MW. Combining stable and low growth data center operations with volatile and high growth bitcoin mining operations may create the potential for higher growth and increased stability for the Resulting Issuer relative to the Companies viewed independently.
- f. In the view of Evans & Evans, the termination fee is above the high end of the industry norm (9% of Cathedra's equity value implied by the Exchange Ratios) for similar transactions which limits the opportunity for a superior offer upon announcement of the Proposed Transaction.
- g. As noted above, certain shareholders will be receiving Resulting Issuer Preferred Shares, which are non-voting. In the view of Evans & Evans, the lack of liquidity and voting rights is offset by the dividend. In a situation involving an acquisition of Sphere, these shares will be treated in an equivalent manner to Resulting Issuer Common Shares.
- h. Evans & Evans considered the ability of the Cathedra Shareholders to receive greater than the value implied by the Exchange Ratios in the market. As outlined in the table above, the Proposed Transaction implies a value of \$0.1843 per share for Cathedra based on Sphere's 20-day VWAP as of the date of the Opinion. Evans & Evans conducted a review of Cathedra's trading price to determine how many SV Shares of Cathedra had traded above the value implied by the Exchange Ratios. As can be seen from the table below, only 4.86% of Cathedra Shares and 16.22% of SV Shares traded on days where the trading price exceeded the consideration implied by the SV Exchange Ratio.

Implied Consideration - Cathedra (USD)	# of Days Closing Price Exceeded Implied Consideration	Shares Traded at Implied Consideration or Higher	% of Shares Outstanding Cathedra Shares	% of Shares Outstanding SV Shares
\$0.1843				
10-Days Preceding	10	70,929	0.24%	0.80%
30-Days Preceding	30	301,013	1.01%	3.37%
90-Days Preceding	90	1,447,218	4.86%	16.22%
180-Days Preceding	180	2,695,386	9.06%	30.22%

12.0 Qualifications & Certification

- 12.01 The Opinion preparation was carried out by Jennifer Lucas and thereafter reviewed by Michael Evans.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1989. For over 35 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period, he has been involved in the preparation of several thousand technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA Institute, the CBV Institute and the American Society of Appraisers ("ASA").

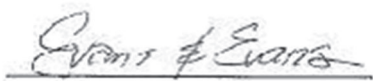
Ms. Jennifer Lucas, MBA, CBV, ASA, Partner, joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. Ms. Lucas has also gained experience in the Personal Security and Telecommunications industries. Since joining Evans & Evans Ms. Lucas has been involved in writing and reviewing several valuation and due diligence reports for public and private transactions.

Ms. Lucas holds: a Bachelor of Commerce degree from the University of Saskatchewan (1993), a Master's in Business Administration degree from the University of British Columbia (1995). Ms. Lucas holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. She is a member of the CBV Institute and the ASA.

12.02 The analyses, opinions, calculations and conclusions were developed, and this Opinion has been prepared in accordance with the standards set forth by the CBV Institute.

12.03 The authors of the Opinion have no present or prospective interest in the Companies, or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Evans & Evans", is written over a horizontal line.

EVANS & EVANS, INC.

APPENDIX "F"

INFORMATION CONCERNING SPHERE

Notice to Reader

Unless the context indicates otherwise, capitalized terms which are used in this Appendix "F" and not otherwise defined in this Appendix "F" have the meanings given to such terms under the heading "*Glossary of Terms*" or elsewhere in this Information Circular.

The following information is presented on a pre-Transaction basis and is reflective of the current business, financial and share capital position of Sphere and its subsidiaries. Upon completion of the Transaction, each Cathedra Shareholder will become a shareholder of Sphere, other than those Cathedra Shareholders who are Dissenting Shareholders. See Appendix "H" of this Information Circular for *pro forma* business, financial and share capital information relating to the Combined Company after giving effect to the Transaction.

The audited consolidated financial statements of Sphere for the years ended December 31, 2025 and 2024, including any notes or schedules thereto and the auditor's report thereon (the "**Sphere Annual Financial Statements**"), as well as management's discussion and analysis of the financial condition and results of operations of Sphere for the years ended December 31, 2025 and 2024 (the "**Sphere Annual MD&A**"), are attached as Appendix "G" to this Information Circular.

Forward-Looking Statements

Certain information in this Appendix "F" constitutes forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. Such forward-looking statements relate to future events or Sphere's future performance. See "*Cautionary Note Regarding Forward-Looking Information*" in this Information Circular in respect of forward-looking statements that are included in this Appendix "F". Readers should also carefully consider the matters and cautionary statements discussed under the heading "*Information Concerning the Combined Company - Risk Factors*" in this Information Circular, as well as those discussed under the heading "*Information Concerning the Combined Company - Selected Unaudited Pro Forma Financial Information for the Combined Company*" in Appendix "H" to this Information Circular and under the heading "*Risk Factors*" in this Appendix "F".

Corporate Structure

General

Sphere was incorporated on May 2, 2007 pursuant to the provisions of the *Business Corporations Act* (Ontario) under the name "T.B. Mining Ventures Inc.". On December 20, 2012, Sphere amended its name from "T.B. Mining Ventures Inc." to "Sphere 3D Corporation". On March 24, 2015, Sphere amalgamated with 2458417 Ontario Inc., and continued as "Sphere 3D Inc." On March 24, 2015, Sphere completed a short-form amalgamation with a wholly-owned subsidiary and changed its name to "Sphere 3D Corp."

On February 9, 2026, Sphere filed Articles of Amendment to effect a share consolidation (also known as a reverse stock split) of its issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. Sphere Common Shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026. All share and per share amounts have been restated for all periods presented to reflect the share consolidation.

The registered and head office of Sphere is located at 243 Tresser Blvd, 17th Floor, Stamford, CT, United States of America 06901.

Sphere is a bitcoin miner, growing its digital asset mining operation through the capital-efficient procurement of next-generation mining equipment and partnering with data center operators.

The Sphere Shares are listed on NASDAQ under the symbol “ANY”.

Further details regarding Sphere, including information regarding Sphere’s history, assets and operations are provided in the Sphere Annual Financial Statements and the Sphere Annual MD&A attached as Schedule "G" to this Information Circular. Readers should consider reading these documents.

Intercorporate Relationships

The following subsidiaries are wholly-owned (100%) by Sphere: S3D Acquisition Corp., a British Columbia, Canada corporation formed on February 5, 2025; Sphere 3D Mining Corp., a Delaware corporation formed on November 23, 2021; Sphere 3D Inc., an Ontario, Canada corporation formed on December 20, 2012; and 101250 Investments Ltd., a Turks and Caicos Islands corporation formed on November 7, 2019.

Description of the Business of Sphere

Overview

Sphere is a bitcoin miner, growing its digital asset mining operation through the capital-efficient procurement of next-generation mining equipment and partnering with data center operators.

Bitcoin and Blockchain

Bitcoin is a decentralized digital currency that operates on a peer-to-peer network, allowing users to send and receive payments without relying on banks or central authorities. It runs on a public blockchain, a distributed ledger where all transactions are recorded and secured through cryptographic verification. Within the Bitcoin ecosystem, there are three key participants: users, miners, and nodes. Users are individuals or businesses that send, receive, or store bitcoin, typically using wallets. Miners are participants who use computational power to solve complex mathematical puzzles, validating transactions and adding them to the blockchain in exchange for newly minted bitcoin and transaction fees as a reward for their work. Nodes are computers that maintain a full copy of the blockchain and help verify transactions, ensuring the network remains secure and decentralized. Together, these participants enable Bitcoin to function as a trustless, borderless, and censorship-resistant financial system.

In the Bitcoin network, transactions must be validated before they are added to the blockchain. When a user initiates a transaction, it is broadcast to the network and enters the mempool, where it awaits confirmation. Full nodes verify the transaction by checking the sender’s balance and digital signature against the blockchain’s history. Once verified, miners compete to include the transaction in a new block through a process called Proof of Work, where they solve a complex cryptographic puzzle to find a valid hash that meets the network’s difficulty requirements. The first miner to solve the puzzle broadcasts the new block to the network, and if other nodes verify its validity, it is permanently added to the blockchain. As a reward for securing the network, the winning miner receives a block reward, which consists of newly minted bitcoin, currently 3.125 BTC, along with transaction fees paid by users. Over time, as the block reward continues to halve approximately every four years, transaction fees will become an increasingly important incentive for miners to continue securing the network. This system ensures bitcoin remains decentralized, secure, and resistant to inflation.

Bitcoin Mining

Sphere obtains bitcoin as a result of its mining operations, and when necessary, Sphere sells bitcoin to support its operations and strategic growth. Sphere mines bitcoin in states which do not have any material state-specific regulatory restrictions on the mining of bitcoin. However, it is possible that these states or other states in which Sphere may seek to operate may create laws that would impede bitcoin mining. Sphere does not currently plan to engage in regular trading of bitcoin other than sales to convert its bitcoin into U.S. dollars. Sphere's decisions to hold or sell bitcoin are currently determined by management by analyzing forecasts and monitoring the market in real time. Sphere has a hybrid treasury strategy to hold bitcoin when possible and sell to fund working capital requirements.

A key component of the bitcoin mining business segment is to acquire highly specialized computer servers (known in the industry as "**miners**"), which operate application-specific integrated circuit ("**ASIC**") chips designed specifically to mine bitcoin, and deploy such miners at-scale utilizing Sphere's hosting agreements. ASIC miners are the most effective and energy-efficient machines available today, and Sphere believes deploying them at-scale, will enable Sphere to continue growing its hashrate and optimize the output and longevity of its miners as they are deployed.

Sphere's bitcoin mining operation is focused on maximizing its ability to successfully mine bitcoin by growing its hashrate (the amount of computer power devoted to supporting the Bitcoin blockchain), to increase its chances of successfully creating new blocks on the Bitcoin blockchain (a process known as "**proof of work**"). Generally, the greater share of the Bitcoin blockchain's total network hashrate (the aggregate hashrate deployed to solving a block on the Bitcoin blockchain) a miner's hashrate represents, the greater that miner's chances of solving a block and, therefore, earning the block reward. As the proliferation of bitcoin continues and the market price for bitcoin increases, Sphere expects additional miner operators to enter the market in response to an increased demand for bitcoin which Sphere anticipates to follow increased bitcoin prices. As these new miner operators enter the market and as increasingly powerful miners are deployed in an attempt to solve a block, the Bitcoin blockchain's network hashrate grows, meaning an existing miner must increase its hashrate at pace commensurate with the growth of network hashrate to maintain its relative chance of solving a block and earning a block reward. Sphere expects this trend to continue and needs to continue growing Sphere's hashrate to compete in its dynamic and highly competitive industry.

As of December 31, 2025, Sphere owned approximately 12,600 miners, of which approximately 4,200 were in service and have a total hashrate capacity of 0.73 exahash per second ("**EH/s**"). Sphere is strategizing for its future growth by refreshing a significant portion of its fleet with newer-generation machines to bolster efficiency. Beginning March 2025, Sphere owns an 8 MW facility in Iowa ("**Iowa Site**"). As of February 2026, with the sale of approximately 7,700 older generation miners not in service for 437 newer generation miners, Sphere has approximately 5,300 miners and its refresh of its miner fleet is substantially complete. Vertically integrating with self-owned facilities, such as Sphere's Iowa Site, allows Sphere to reduce its reliance on third-party hosting sites and decreases its overall cost to mine a bitcoin. As a result of Sphere strategic changes, during the latter part of 2024 and ongoing, mining production has decreased as Sphere focused on its long-term strategic goals of transitioning to lower-cost hosting sites, vertically integrating to own its own site, and refreshing Sphere's fleet with newer-generation machines.

In 2025, Sphere mined 111.6 bitcoin, which represented a decrease of 61.0% over the 286.3 bitcoin it mined in 2024. The decrease was primarily due to the April 2024 halving event, a transition to lower-cost hosting sites, and refreshing its fleet with newer-generation machines. Based on Sphere's existing operations and expected deployment of miners purchased, it anticipates continuing to increase exahash throughout 2026. Sphere does not have scheduled downtime for its miners, but periodically performs both scheduled and unscheduled maintenance. Depending on the type of repair, the miner may run at a reduced speed or be taken offline. Sphere uses software programs to monitor the performance of its machines. The miners owned as of December 31, 2025 have an average efficiency (joules per terahash – "**J/th**") of 22.0 J/th compared to an average efficiency of 27.1 J/th in 2024. Sphere expects efficiency to improve in 2026 to approximately 19.0 J/th. The miner efficiency is an indication of how efficiently Sphere can earn bitcoin and minimize cost to run the miner. Currently, Sphere intends only to mine bitcoin and to hold no other cryptocurrency other than bitcoin. Sphere does not have any power purchase agreements for

the supply of power.

As of December 31, 2025, Sphere held approximately 37.3 bitcoin with a fair value of approximately \$3.3 million included on its consolidated balance sheet.

Mining Pools

A mining pool is a service operated by a mining pool operator that pools the resources of individual miners to share their processing power over a network. Mining pools emerged in response to the growing difficulty and network hashrate competing for bitcoin rewards on the Bitcoin blockchain as a way of lowering costs and reducing the risk of an individual miner's mining activities. The mining pool operator coordinates the computing power of the independent mining enterprises participating in the mining pool. Mining pools are subject to various risks such as disruption and down time. In the event that a pool Sphere utilizes experiences down time or is not yielding returns, Sphere's results may be impacted.

Sphere is engaged with a bitcoin mining pool operator as its customer, to provide a service to perform hash calculations for the mining pool operator, which is its only performance obligation. Providing hash calculation services is an output of Sphere's ordinary activities. Sphere has a service agreement with Foundry Digital LLC, a mining pool operator, to provide a service to perform hash calculations. In exchange for providing the service, it is entitled to Full Pay Per Share ("**FPPS**"), which is a fractional share of the fixed bitcoin award the mining pool operator receives, plus a fractional share of the transaction fees attached to that blockchain less net bitcoin fees due to the mining pool operator over the measurement period, as applicable. The pay-outs received are based on the expected value from the block reward plus the transaction fee reward, regardless of whether the mining pool operator successfully records a block to the blockchain. In 2024, Sphere also had a service agreement with an additional mining pool operator, Luxor Technology Corporation.

Sphere's fractional share is based on a contractual formula, which primarily calculates the hashrate provided to the mining pool as a percentage of total network hashrate and other inputs. The contracts, which are less than 24 hours and continuously renew throughout the day, are terminable at any time by either party without compensation and Sphere's enforceable right to compensation only begins when it starts providing the service to the mining pool operator, which begins daily at midnight Universal Time Coordinated ("**UTC**"). The terms, conditions, and compensation are at the current market rates, and accordingly the renewal option is not a material right. The contract arises at the point that Sphere provide hash calculation services to the mining pool operator, which is the beginning of the contract day at midnight UTC time (contract inception), as customer consumption is in tandem with daily earnings of delivery of the service. According to the customer contract, daily earnings are calculated from midnight-to-23:59:59 UTC time, and the payout is made one hour later at 1:00 AM UTC time.

Hosting Agreements

On November 1, 2025, Sphere entered into a Hosting Agreement with North Campbell HostCo LLC (the "**Campbell Hosting Agreement**"), for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of its mining equipment. The Campbell Hosting Agreement has an initial term of 12 months and can be terminated based on certain defaults defined in such agreements.

On April 19, 2024, Sphere entered into a Master Hosting Agreement with Simple Mining LLC ("**Simple Mining**") for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of Sphere's mining equipment. On September 25, 2024, Sphere entered into Amendment No. 2 to the Master Hosting Agreement ("**Simple Mining Hosting**") for certain of its mining machines to be hosted at Simple Mining's facility in Iowa. The Simple Mining Hosting agreement has a term of two years and can be terminated by Sphere with 30 days advance notice. On September 25, 2024, Sphere entered into Amendment No. 3 to the Master Hosting Agreement ("**Simple Mining XP Hosting**") for certain mining machines to be racked at Simple Mining's facility in Iowa until its Iowa Site was completed. The Simple Mining XP Hosting agreement can be terminated by Sphere with 30 days advance notice. In November 2025, the Simple Mining Hosting and Simple Mining XP Hosting agreements were

mutually terminated.

On October 18, 2023, Sphere entered into a Hosting Agreement with Joshi Petroleum, LLC (the “**Joshi Hosting Agreement**”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of its mining equipment. The Joshi Hosting Agreement has an initial term of three years with subsequent one year renewal periods until either party provides written notice to the other party of its desire to avoid and given renewal term at least 30 days in advance of the conclusion of the prior initial term or renewal period. Effective January 2, 2026, the Joshi Hosting Agreement was assigned to Evolution Technology LLC.

On April 4, 2023, Sphere entered into a Master Hosting Services Agreement with Rebel Mining Company, LLC (the “**Rebel Hosting Agreement**”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of Sphere’s mining equipment. The Rebel Hosting Agreement had a term of three years with subsequent one year renewal periods. During the year ended December 31, 2024, Sphere recorded a \$0.9 million impairment to prepaid service fees held by Rebel Mining Company and is included in impairment of other assets on the consolidated statement of operations. On January 16, 2025, Sphere terminated the Rebel Hosting Agreement and agreed to a settlement amount of \$2.4 million payable to Sphere in satisfaction of all obligations of the Rebel Hosting Agreement and it constitutes a final settlement of all amounts owed by either party of the Rebel Hosting Agreement. For the year ended December 31, 2025, Sphere recorded a \$0.3 million impairment for the portion of the settlement that was not received by Sphere and is in default.

Management Agreement

In March 2025, Sphere entered into a management services agreement (“**MSA**”) with Simple Mining to manage Sphere’s Iowa Site for a term of 12 months, renewable for subsequent terms of 12 months, with automatic renewals for subsequent terms of 12 months unless terminated by either party with written notice 30 days prior to the expiration of the then current term.

At-the-Market Offering Program

On January 3, 2025, Sphere entered into the ATM Agreement with A.G.P./Alliance Global Partners (the “**Sales Agent**”). In accordance with the terms of the ATM Agreement, Sphere may offer and sell from time to time through or to the Sales Agent, as agent or principal, Sphere Common Shares having an aggregate offering price of up to \$8.0 million (the “**Placement Shares**”). The ATM Agreement can be terminated by either party by giving two days written notice.

Neither Sphere nor the Sales Agent are obligated to sell any Placement Shares pursuant to the ATM Agreement. Subject to the terms and conditions of the ATM Agreement, the Sales Agent will use commercially reasonable efforts, consistent with its normal trading and sales practices and applicable state and federal law, rules and regulations and the rules of The Nasdaq Capital Market (“**Nasdaq**”), to sell the Placement Shares from time to time based upon Sphere’s instructions, including any price, time or size limits or other customary parameters or conditions Sphere may impose. Sales of the Placement Shares, if any, will be made on Nasdaq at market prices by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended.

During the year ended December 31, 2025, Sphere issued 112,791 Sphere Common Shares for approximately \$0.7 million of net proceeds under the ATM Agreement. During March 2026, Sphere issued 256,142 Sphere Common Shares for \$0.4 million of net proceeds under the ATM Agreement.

Environmental Issues

Sphere purchases electricity from the electrical grid at its Iowa Site. No significant pollution or other types of hazardous emissions result from Sphere’s direct operations, and it is not anticipated that Sphere’s operations will be materially affected by federal, state or local provisions concerning environmental controls. Sphere’s costs of complying with environmental, health and safety requirements have not historically been material.

Some local, state and federal policymakers have expressed concerns over the energy consumption of data centers, including those supporting bitcoin mining, HPC, AI workloads, and the ancillary effects on the environment from that energy consumption. These concerns generally relate to grid reliability. Sphere carefully monitors existing and pending climate change legislation, regulation and international treaties or accords for any material effect on Sphere's business or markets that it serves, its operational results, its capital expenditures or its financial position.

Intellectual Property

Sphere actively uses specific hardware and software for its bitcoin mining operations. Sphere does not currently own, and does not have any current plans to seek, any patents in connection with its bitcoin mining operations.

Competitive Conditions

Sphere's business is highly competitive and operates 24 hours a day, seven days a week. The primary drivers of competition are demand for bitcoin and the ability to execute miner deployments to generate the highest returns while incurring the lowest costs to mine, thereby achieving maximum efficiency.

Sphere's competition in the bitcoin mining space fluctuates due to a number of factors, including, but not limited to, the value of bitcoin rewards for mining, the amount of network hashrate, and the price of bitcoin. Sphere anticipates that over the long-term there will be a significant increase in the number of bitcoin miners attempting to enter into, and expand, their bitcoin mining activities. Sphere's main competitors generally include other bitcoin mining companies, both publicly listed and private. As more bitcoin miners enter the mining industry, Sphere expects additional pressure on the industry, with greater competition for access to mining rewards, competition for power and high-quality industrial scale mining infrastructure which is in limited supply.

Sphere relies on both owned mining facilities and hosting arrangements to conduct its business, and the availability and stability of these arrangements remain uncertain and highly competitive. Hosting arrangements, in particular, may be affected by changes in regulations across different countries, while owned facilities present additional risks, including operational challenges, infrastructure maintenance, and energy costs. Significant competition for suitable mining data centers is expected to persist, and government regulations—such as local permitting requirements—could further restrict the ability of both hosted and owned mining operations to begin or continue operating in certain locations. These factors could impact Sphere's ability to secure adequate infrastructure to support some of its hashrate and maintain profitable mining operations.

Protection of Bitcoin Assets

Sphere's share of bitcoin mined from its pool is initially received in wallets Sphere controls, which are maintained by BitGo Trust Company, Inc. ("**BitGo**"), a U.S.-based digital assets exchange. Sphere holds its bitcoin in cold storage and is reconciled monthly and associated with unique blockchain addresses, with their activity recorded on the blockchain. For security reasons, BitGo does not disclose the geographic location of its cold storage wallets to its customers. Sphere's custody agreement with BitGo provides that BitGo will obtain and maintain at its sole expense insurance coverage in such types and amounts as are commercially reasonable for the custodial services provided under the custody agreement. Sphere does not carry additional insurance coverage on its bitcoin holdings. Further, Sphere is not aware of any insurance providers or other third parties having inspection or other verification rights associated with digital assets held in storage.

Bitcoin that is mined or held by Sphere's own account may be subject to loss, theft or restriction on access. Hackers or malicious actors may launch attacks to steal, compromise or secure bitcoins, such as by attacking the bitcoin network source code, exchanges, miners, third-party platforms (including BitGo), cold and hot storage locations or software, or by other means. Sphere may be in control and possession of substantial holdings of bitcoin, and as Sphere increases in size, it may become a more appealing target of hackers, malware, cyberattacks or other security threats.

Industry Trends

Bitcoin market prices have historically been volatile, and fluctuations in bitcoin prices continue to materially influence the economics of bitcoin mining and the availability of capital within the industry. Periods of elevated bitcoin prices have historically enabled mining companies, including publicly traded operators, to access equity and debt capital markets to fund infrastructure expansion, equipment purchases, and operational growth. These capital inflows, together with continued improvements in mining hardware efficiency, have contributed to sustained increases in global network hashrate. As network hashrate has grown, mining difficulty has increased accordingly, resulting in greater competition among miners and increasing the importance of operational efficiency, access to low-cost and reliable energy sources, and prudent capital management. Competitive pressures are expected to persist, particularly during periods in which higher bitcoin prices incentivize additional network participation.

In addition to changes in bitcoin prices, miner revenues are influenced by the composition of block rewards, which consist of both the fixed block subsidy and transaction fees paid by network users. Transaction fee levels have historically been volatile and are largely dependent on overall network usage and demand for block space. Increased adoption of bitcoin and evolving on-chain activity have periodically resulted in higher transaction fees, which are paid directly to miners and supplement the block subsidy earned upon successfully validating a block. Following the April 2024 halving event, which reduced the block subsidy to 3.125 BTC per block, transaction fees may represent a more meaningful component of total miner revenue over time; however, the magnitude and consistency of such fees remain uncertain and may fluctuate significantly.

The bitcoin mining industry has also continued to evolve structurally, with many operators increasingly emphasizing the value of their underlying power infrastructure and data center capabilities. Access to scalable energy capacity has become a primary competitive differentiator, and certain mining companies have begun exploring or implementing diversification strategies, including high-performance computing, artificial intelligence, and data center hosting applications that leverage existing infrastructure. While these initiatives may provide opportunities to diversify revenue streams and improve asset utilization, they also introduce additional operational, capital, and market risks. As a result, the bitcoin mining industry is increasingly characterized as a capital-intensive digital infrastructure sector operating at the intersection of energy markets, data center development, and digital asset production.

Governmental Regulations

Sphere operates in a complex and rapidly evolving regulatory environment and is subject to a wide range of laws and regulations enacted by U.S. federal, state and local governments, governmental agencies and regulatory authorities, including the SEC, the Federal Trade Commission and the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, as well as similar entities in other countries. Other regulatory bodies, governmental or semi-governmental, have shown an interest in regulating or investigating companies engaged in the blockchain or cryptocurrency businesses.

Regulations may substantially change in the future and it is presently not possible to know how those regulations will apply to Sphere's businesses, or when they will be effective. As the regulatory and legal environment evolves, Sphere may become subject to new laws and further regulation by the SEC and other agencies, which may affect Sphere's mining and other activities. For instance, various bills have been proposed in the U.S. Congress related to Sphere's business, which may be adopted and have an impact on Sphere. Additionally, governmental agencies and regulatory authorities, such as the SEC, the Federal Trade Commission and the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, may also enact further regulations related to Sphere's business, which may have an impact on Sphere.

Employees

As of December 31, 2025, Sphere employed approximately four employees, two of which were full time.

Foreign Operations

Sphere is incorporated in Ontario, Canada and its common shares trade on NASDAQ. Sphere's business is exclusively based in the United States.

Lending

Sphere has no outstanding indebtedness and has not granted security interests over its assets.

Bankruptcy

No bankruptcy, receivership or similar proceedings have been instituted against Sphere or any of its subsidiaries during the three most recently completed financial years. However, management has previously projected liquidity concerns and noted that if Sphere is unable to raise required capital, it may be forced to liquidate assets, curtail or cease operations, or seek bankruptcy protection.

Reorganizations

No material reorganizations have occurred during the three most recently completed financial years beyond the corporate amalgamation described in the Corporate Structure section.

Social or Ethics Policies

Sphere's Board Mandate includes oversight of corporate social responsibility and ethics. Sphere has adopted a Code of Business Conduct and Ethics. Environmental compliance is recognized as part of Sphere's regulatory obligations and risk management framework.

General Development of the Business

Recent Key Events

- On March 5, 2026, Sphere and Cathedra entered into a definitive agreement to combine the two companies in an all-stock transaction, which is expected to create a high-density computing power infrastructure company focused on high-performance compute, digital assets, energy optimization, and development of power and infrastructure. The strategic combination is expected to enable near-term vertical integration, positioning the new entity to accelerate scalable, high-efficiency deployment across North America by leveraging a focus on low-cost power and operational efficiency. Under the terms of the Arrangement Agreement, Sphere has agreed to acquire all of the issued and outstanding Cathedra Securities, subject to customary closing conditions, including regulatory, court, and shareholder approvals, such that upon consummation of the Transaction, Cathedra will be a wholly-owned subsidiary of Sphere. If the Arrangement Agreement is terminated in certain specified circumstances, Sphere or Cathedra would be required to pay the other party a termination fee of US\$500,000.
- On March 4, 2026, Sphere granted 472,222 restricted stock units ("RSUs") and 45,532 restricted stock awards ("RSAs") with an aggregate fair value of \$0.7 million.
- On February 9, 2026, Sphere filed Articles of Amendment to effect a share consolidation (also known as a reverse stock split) of its issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. Sphere Common Shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026.

- On February 9, 2026, Sphere sold approximately 7,700 older generation miners included in property and equipment for 437 newer generation miners with a value of \$1.1 million.

Developments during the financial year ended December 31, 2025

- During the year ended December 31, 2025, Sphere purchased new generation mining machines for \$7.5 million.
- During the year ended December 31, 2025, Sphere issued 159,400 common shares for the exercise of pre-funded warrants issued in November 2024.
- On October 16, 2025, Sphere entered into a warrant inducement agreement with an existing institutional investor of Sphere (the “**Inducement Agreement**”) for the immediate exercise of its November 2024 warrants to purchase 436,823 common shares (the “**Existing Warrants**”) of Sphere. The Existing Warrants had an exercise price of \$15.00 and were exercised at a reduced exercise price of \$9.40 for total gross cash proceeds of \$4.1 million, before deducting financial advisor fees and other transaction expenses of \$0.3 million. Sphere used the net proceeds from the offering for working capital and other general corporate purposes. In consideration for the immediate exercise in full of the Existing Warrants, the investor received in a private placement new unregistered warrants to purchase up to 873,643 common shares of Sphere (the “**New Warrants**”). The New Warrants have an exercise price of \$9.40 and are exercisable beginning on January 15, 2026 and expire five years from such date.
- In July 2025, Sphere entered into a financial advisory and consulting agreement with Second Gate Advisory LLC for a term of 12 months, with automatic one month renewal periods. The agreement can be canceled by either party at any time with 10 days written notification to the other party. Fees are \$25,000 per month for ongoing work, and \$1.45 million fee for certain transactions, payable in cash and equity. In July 2025, Sphere issued two RSU grants for an aggregate of 74,074 common shares of Sphere with a fair value of approximately \$0.46 million for the equity portion of the fee. In July 2025, 50% of the RSU grants vested and 37,037 common shares of Sphere were issued.
- On March 7, 2025, Sphere reached a settlement with Gryphon Digital Mining, Inc. to resolve all claims against each other on mutually satisfactory terms that will result in the complete dismissal of the outstanding litigation. Sphere was required to make no payments under the settlement agreement.
- On March 6, 2025, Sphere received a notice from the Nasdaq Listing Qualifications Department of the Nasdaq Stock Market LLC stating that the bid price of Sphere Common Shares for the last 30 consecutive trading days had closed below the minimum \$1.00 per share required for continued listing under Listing Rule 5550(a)(2).
- On January 31, 2025, Kurt L. Kalbfleisch was appointed Acting Chief Executive Officer of Sphere. On March 4, 2025, Patricia Trompeter, Sphere’s former Chief Executive Officer and a director, passed away. Mr. Kalbfleisch remained Acting Chief Executive Officer following Ms. Trompeter’s passing.
- On January 29, 2025, Sphere granted 168,478 RSUs with a fair value of \$1.5 million and vesting periods of two years. On March 4, 2025, Sphere canceled 92,731 RSUs that were granted on January 29, 2025.

Developments during the financial year ended December 31, 2024

- For the year ended December 31, 2024, Sphere issued 619,348 common shares for the conversion of 43,354 preferred shares.
- On October 10, 2024, Sphere received a letter from the Nasdaq Listing Qualifications department of The Nasdaq Stock Market LLC notifying Sphere that it was not in compliance with the requirement of Nasdaq Marketplace Rule 5550(a)(2) for continued inclusion on the NASDAQ Capital Market as a result of the closing bid price for Sphere common shares being below \$1.00 for 30 consecutive business days. On November 14, 2024, Sphere common shares' closing bid price was above \$1.00 for 20 consecutive business days.
- Subsequent to September 30, 2024, Sphere deployed approximately an additional 350 Q4 Bitmain Antminer S21s, as well as 1,000 XP miners acquired in September 2024, adding 0.21 EH/s to Sphere's overall hashrate and expanding Sphere's fleet with the latest generation of high-efficiency miners. The total miner fleet now includes a significant number of Bitmain S21 and S21 Pro machines, contributing close to 0.2 EH/s in additional hashrate.
- In September 2024, Sphere and Simple Mining entered into a letter of intent to acquire a 12.5 MW site in Iowa, which subsequently was modified to an 8 MW site completed in 2025. Sphere partnered with Simple Mining to engineer, develop, and operate the site.
- In August 2024, Sphere received a termination fee of \$3.0 million to settle all matters pertaining to a terminated hosting agreement including all services and deposit prepayments for estimated services fees.
- In July 2024, one of Sphere's hosting providers informed it they were taking approximately 3,300, or 29%, of Sphere's mining machines offline for an undetermined period of time to relocate them. As of August 2024, approximately 1,900 mining machines that were taken offline were back online, and approximately 12% of Sphere's mining machines remain offline pending relocation.
- On April 19, 2024, a bitcoin halving event occurred on the Bitcoin network. Halving is a key part of the bitcoin protocol and serves to control the overall supply and reduce the risk of inflation in digital assets using a proof-of-work consensus algorithm. The bitcoin halving event reduced the block subsidy by half from 6.25 to 3.125 bitcoin per block.
- Effective April 1, 2024, Sphere Board's annual cash payment was reduced from \$75,000 to \$60,000 and Chairman fees were eliminated under a revised Sphere Board Compensation Program.
- In March 2024, Sphere received proceeds from the 21.6 bitcoin that was outstanding at December 31, 2023.
- On January 16, 2024, Sphere reached a settlement agreement (the "**Settlement Agreement**") with Core Scientific, which was approved by a United States Bankruptcy Judge on January 16, 2024 as part of Core Scientific's emergence from bankruptcy, for \$10.0 million of Core Scientific's equity. The Settlement Agreement includes access to potential additional funds for interest as well as an additional equity pool if the value of Core Scientific's equity decreases in the 18 months after the date of the Settlement Agreement commensurate with the other unsecured creditors. On January 23, 2024, Sphere received 2,050,982 shares of Core Scientific Inc. common stock trading under the Nasdaq symbol CORZ.

Developments during the financial year ended December 31, 2023

- The Compensation Committee engaged NFP as its independent compensation consultant in 2023 to provide advice on executive compensation matters.

- During the year ended December 31, 2023, Sphere issued 471,464 common shares for the conversion of 33,002 preferred shares.
- During the year ended December 31, 2023, Sphere sold 3,336 miners that were included in mining equipment for cash proceeds of \$4.5 million.
- On December 28, 2023, Sphere entered into a share purchase agreement with Joseph O'Daniel ("**Purchaser**"), a related party, under which Sphere sold its service and product segment, including HVE ConneXions and Unified ConneXions, for \$1.00 and the transfer of outstanding assets and liabilities. As a result of the share purchase agreement, the Purchaser, who served as Sphere's President, resigned effective December 28, 2023. Sphere recognized a noncash gain of \$0.7 million related to the transfer of net liabilities to the Purchaser.
- On December 19, 2023, Sphere's 3,162,500 shares of Minority Equality Opportunities Acquisition Inc. ("**MEOA**") Class B common stock were cancelled, eliminating Sphere's ownership of MEOA, and Sphere recognized a \$6.1 million gain related to the deconsolidation of MEOA.
- On October 6, 2023, in accordance with the cure period, Sphere terminated the Gryphon MSA. In November 2023, Gryphon indicated that upon receipt of certain information it would remit outstanding bitcoin proceeds, less fees and expenses that Sphere asserts is currently held by Gryphon on behalf of Sphere, which Sphere believes amounts to approximately 21.6 bitcoin and approximately \$0.6 million of revenue at December 31, 2023, before factoring in fees and expenses. Due to the uncertainty regarding when Sphere would receive the bitcoin, the bitcoin proceeds, less fees and expenses, will be recognized when received.
- On August 11, 2023, Sphere entered into a Securities Purchase Agreement (the "**August 2023 Purchase Agreement**") pursuant to which Sphere issued to two investors, a total of 13,764 of Sphere's Series H Preferred Shares and a total of 196,630 Sphere common share purchase warrants (the "**Warrants**"), each of which entitled the holder to purchase one common share of Sphere. Per the terms of the August 2023 Purchase Agreement, Sphere received gross proceeds of \$3.0 million. Sphere issued a total of 1,377 Series H Preferred Shares and 19,663 Warrants as a finder's fee for the transaction.
- On August 11, 2023, Sphere entered into an Amended and Restated Agreement (the "**Hertford Amendment**") with Hertford Advisors Ltd. and certain other parties listed in the Hertford Amendment, which amends and restates in its entirety the purchase agreement between Sphere and Hertford Advisors Ltd. dated July 31, 2021, as modified by the amendment to such agreement dated November 7, 2022. Pursuant to the Hertford Amendment, Sphere shall issue to Hertford 1,376 Series H Preferred Shares and 80,000 Warrants. Hertford shall have the right to exchange 14,980 Series H Preferred Shares for Series H Preferred Shares held by other persons (the "**Exchanged Series H Preferred Shares**"), provided that at no time shall any recipient of Exchanged Series H Preferred Shares be permitted to convert Series H Preferred Shares that, when aggregated with any Sphere common shares beneficially owned by the recipient of Exchanged Series H Preferred Shares prior to such conversion, would result in exceeding 9.99% of the Sphere common shares outstanding immediately after giving effect to such conversion.
- On April 17, 2023, Sphere entered into a Securities Purchase Agreement (the "**LDA Purchase Agreement**") pursuant to which Sphere issued to an institutional accredited investor, LDA Capital Limited (the "**Investor**"), a Senior Convertible Promissory Note having an aggregate principal amount of \$1.0 million (the "**LDA Note**") and a Common Share Purchase Warrant (the "**LDA Warrant**") to purchase up to 319,149 common shares of Sphere. On April 18, 2023, Sphere received proceeds of approximately \$780,000, which were net of fees associated with the transaction. On August 14, 2023, in accordance with the terms of the LDA Purchase Agreement prepayment option, Sphere repaid the full amount of the LDA Note, including interest and fees, in the amount of \$1.3 million. As a result of Sphere's repayment, Sphere exercised its right to cancel 40% of the then outstanding LDA Warrants.

- On April 7, 2023, Sphere filed litigation against Gryphon Digital Mining, Inc. citing several breaches to the Gryphon MSA, including but not limited to, several fiduciary and operational breaches.
- On February 8, 2023, Sphere entered into a Hosting Agreement with Lancium FS 25, LLC (the “**Lancium Hosting Agreement**”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of Sphere mining equipment. The Lancium Hosting Agreement has a term of two years with subsequent one year renewal periods. On November 15, 2024, both parties terminated the Lancium Hosting Agreement.

Dividends and Distributions

Sphere has not declared any common share dividends to date and has no present intention of paying any cash dividends on its common shares in the foreseeable future, as it intends to use earnings, if any, to generate growth. The payment by Sphere is within the discretion of the Sphere Board and will depend upon, among other things, earnings, capital requirements and financial condition, as well as other relevant factors. There are no material restrictions in Sphere's Articles that restrict it from declaring dividends.

Management's Discussion and Analysis

The Sphere Annual MD&A is attached as Appendix "G" to this Information Circular.

Description of Securities

Sphere 3D's authorized capital consists of unlimited common shares, no par value, unlimited shares of Series A Preferred Shares, no par value, unlimited shares of Series B Preferred Shares, no par value, unlimited shares of Series C Preferred Shares, no par value, unlimited shares of Series D Preferred Shares, no par value, unlimited shares of Series E Preferred shares, no par value, unlimited shares of Series F Preferred Shares, no par value, unlimited shares of Series G Preferred Shares, no par value and unlimited shares of Series H Preferred Shares, no par value. As of April 2, 2026, there were 3,787,086 common shares and 161 shares of series H issued and outstanding. There are no Series A, Series B, Series C, Series D, Series E, Series F or Series G shares outstanding. Pursuant to the articles of amalgamation, the Sphere Board has the authority to fix and determine the voting rights, rights of redemption and other rights and preferences of preferred shares. The Series H Preferred Shares outstanding have no voting rights.

Common Shares

Voting, Dividend and Other Rights. Each outstanding common share entitles the holder to one vote on all matters presented to the shareholders for a vote. Holders of common shares have no cumulative voting, pre-emptive, subscription or conversion rights. The Sphere Board determines if and when distributions may be paid out of legally available funds to the holders. The declaration of any cash dividends in the future will depend on the Sphere Board's determination as to whether, in light of earnings, financial position, cash requirements and other relevant factors existing at the time, it appears advisable to do so. Sphere 3D does not anticipate paying cash dividends on the common shares in the foreseeable future.

Rights Upon Liquidation. Upon liquidation, subject to the right of any holders of preferred shares to receive preferential distributions, each outstanding common share may participate pro rata in the assets remaining after payment of, or adequate provision for, all known debts and liabilities.

Majority Voting. Two holders representing not less than thirty-three and one-third (33⅓%) of the outstanding common shares constitute a quorum at any meeting of the shareholders. A majority of the votes cast at a meeting of shareholders elects directors. The common shares do not have cumulative voting rights. Therefore, the holders of a majority of the outstanding common shares can elect all of the directors. In general, a majority of the votes cast at a meeting of shareholders must authorize shareholder actions other than the election of directors.

Preferred Shares

Under the articles of amalgamation, the board of directors can issue an unlimited amount of preferred shares from time to time in one or more series. The board of directors is authorized to fix by resolution as to any series the designation and number of shares of the series, the voting rights, the dividend rights, the redemption price, the amount payable upon liquidation or dissolution, the conversion rights, and any other designations, preferences or special rights or restrictions as may be permitted by law. Unless the nature of a particular transaction and the rules of law applicable thereto require such approval, the board of directors has the authority to issue these shares of preferred shares without shareholder approval. Only 161 shares of Series H Preferred Shares are issued and outstanding.

Series H Preferred Shares

On October 1, 2021, Sphere filed articles of amendment to create a series of preferred shares, being, an unlimited number of Series H Preferred Shares and to provide for the rights, privileges, restrictions and conditions attaching thereto. The Series H Preferred Shares are convertible provided (and only if and to the extent) that prior shareholder approval of the issuance of all Sphere 3D common shares issuable upon conversion of the Series H Preferred Shares has been obtained in accordance with the rules of the Nasdaq Stock Market, at any time from time to time, at the option of the holder thereof, into 14.286 Sphere 3D common shares for every Series H Preferred Share. Each holder of the Series H Preferred Shares, may, subject to prior shareholder approval, convert all or any part of the Series H Preferred Shares provided that after such conversion the common shares issuable, together with all the common shares held by the shareholder in the aggregate would not exceed 9.99% of the total number of outstanding common shares of Sphere. Each Series H Preferred Share has a stated value of \$1,000. The Series H Preferred Shares are non-voting and do not accrue dividends. These features include, in the event of the liquidation, dissolution or winding-up of Sphere, whether voluntary or involuntary, deemed liquidation or any other distribution of the assets of Sphere among its shareholders for the purpose of winding-up its affairs, the Series H Preferred Shares shall entitle each of the holders thereof to receive an amount equal to the Series H subscription price per Series H Preferred Share, as defined in the agreement, to be paid before any amount is paid or any assets of Sphere are distributed to the holders of its common shares.

In accordance with the authoritative guidance for distinguishing liabilities from equity, Sphere has determined that its Series H preferred shares carry certain redemption features beyond the control of Sphere. Accordingly, the Series H Preferred Shares are presented as temporary equity. For the years ended December 31, 2025 and 2024, Sphere issued nil and 619,348 common shares, respectively, for the conversion of nil and 4,341 Series H Preferred Shares, respectively.

Equity Incentive Plan

On May 29, 2025, the shareholders approved the adoption of Sphere's 2025 Performance Incentive Plan ("**Sphere PIP**"). The purpose of the Sphere PIP is to encourage equity ownership by directors, senior officers, employees and consultants of Sphere and its affiliates and other designated persons. Share-based awards consisting of stock options, restricted share units and restricted stock units (collectively, "**Awards**") may be granted under the Sphere PIP only to directors, senior officers, employees and consultants of Sphere and its subsidiaries ("**Eligible Persons**"). Subject to applicable legislation, the Sphere Board has full and final authority to determine the Eligible Persons who are to be granted Awards under the Sphere PIP.

Sphere Options

As of the date of this Information Circular, there are 48,551 Sphere Options issued and outstanding. Each Sphere Option entitles the holder thereof to acquire one Sphere Common Share upon payment of the applicable exercise

price. The following table sets forth the aggregate number of Sphere Options held by holders of each category identified therein as of the date hereof:

Category of Holder	Number of Sphere Options	Exercise Price ⁽¹⁾	Expiration Date Range ⁽²⁾
All of Sphere's executive officers and past executive officers, as a group	3,214	\$47.52	June 27, 2028
All of Sphere's directors and past directors who are not also executive officers, as a group	45,337	\$19.45	May 31, 2028 to May 29, 2031
All of Sphere's other employees and past employees, as a group	—	n/a	n/a
All of Sphere's consultants, as a group	—	n/a	n/a

Notes:

(1) Represents the weighted average exercise price of outstanding Sphere Options, whether vested or unvested in USD.

(2) Represents the range of current expiration dates of the outstanding Sphere Options.

Sphere RSUs

As of the date of this Information Circular, there are 653,815 Sphere RSUs issued and outstanding. The following table sets forth the aggregate number of Sphere RSUs held by holders of each category identified therein as of the date hereof:

Category of Holder	Number of Sphere RSUs
All of Sphere's executive officers and past executive officers, as a group	319,297
All of Sphere's directors and past directors who are not also executive officers, as a group	247,482
All of Sphere's other employees and past employees, as a group	n/a
All of Sphere's consultants, as a group	87,036

Sphere Warrants

As of the date of this Information Circular, there are 1,324,534 Sphere Warrants issued and outstanding with each exercisable to acquire one Sphere Common Share:

Date Issued	Contractual Life (years)	Exercise Price (US\$)	Number of Shares Outstanding	Expiration
September 2021	5.0	\$ 665.00	142,955	September 8, 2026
February 2022	5.0	\$ 280.00	1,429	February 7, 2027
February 2022	5.0	\$ 350.00	1,429	February 7, 2027
February 2022	5.0	\$ 420.00	1,429	February 7, 2027
April 2023	3.0	\$ 13.42	7,356	April 17, 2026
August 2023	3.0	\$ 27.50	80,000	August 11, 2026
August 2023	3.0	\$ 27.50	216,293	August 23, 2026
October 2025	5.0	\$ 9.40	873,643	January 15, 2031
			1,324,534	

The treatment of outstanding Sphere Warrants in connection with the Arrangement is described in this Information Circular under *"Particulars of Matters to be Acted Upon – The Arrangement – Effect of the Arrangement"*.

Consolidated Capitalization

On February 9, 2026, Sphere filed Articles of Amendment to effect a share consolidation (also known as a reverse share split) of its issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. Sphere Common Shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026.

Other than the share consolidation on February 9, 2026, there have not been any material changes in the share capitalization of Sphere since the date of the Sphere Annual Financial Statements, which are incorporated by reference herein. As at April 2, 2026, there were a total of 3,787,086 Sphere Common Shares and 161 Sphere Series H Shares issued and outstanding and as at the date of this Information Circular.

The following table sets forth the consolidated capitalization of Sphere as at December 31, 2025. The following table should be read in conjunction with the Sphere Annual Financial Statements and the Sphere Annual MD&A:

	As at December 31, 2025
	(US\$)
Cash and cash equivalents	3,707,000
Total Debt	-
Total Shareholders' Equity	23,300,000
Total Capitalization	23,300,000

Prior Sales

During the 12-month period before the date of this Information Circular, Sphere issued the following securities:

Date of Issuance/Grant	Type of Security Issued/Granted	Number of Securities Issued/Granted	Issue/Exercise Price (US\$)
4/22/2025	Restricted Stock Unit	100,000	nil
5/21/2025	Common Stock	69,100	.001
5/29/2025	Restricted Stock Units	25,260	nil
5/29/2025	Non-Qualified Stock Option	14,950	7.92
6/3/2025	Common Stock	39,600	.001
7/3/2025	Restricted Stock Units	74,074	nil
9/10/2025	Common Stock	16,113	7.10
9/11/2025	Common Stock	19,059	7.03
9/12/2025	Common Stock	16,980	7.02
9/15/2025	Common Stock	20,316	7.09
9/16/2025	Common Stock	1,638	7.00
9/17/2025	Common Stock	15,570	7.08
9/18/2025	Common Stock	290	7.00
9/23/2025	Common Stock	1,780	7.02

Date of Issuance/Grant	Type of Security Issued/Granted	Number of Securities Issued/Granted	Issue/Exercise Price (US\$)
10/17/2025	Common Stock Warrant	873,643	9.40
10/17/2025	Common Stock	325,800	9.40
10/24/2025	Common Stock	111,021	9.40
12/9/2025	Restricted Stock Units	50,000	nil
3/4/2026	Restricted Stock Units	472,222	nil
3/4/2026	Restricted Stock Award	45,532	1.35
3/11/2026	Common Stock	86,619	1.75
3/11/2026	Common Stock	16,250	nil ⁽¹⁾
3/12/2026	Common Stock	18,358	nil ⁽¹⁾
3/12/2026	Common Stock	38,947	1.61
3/13/2026	Common Stock	33,400	1.62
3/16/2026	Common Stock	80,000	1.71
3/17/2026	Common Stock	10,476	1.66
3/18/2026	Common Stock	6,700	1.60
4/1/2026	Common Stock	20,000	1.50

Note: (1) Released upon the vesting of certain RSUs.

Market for Securities

The Sphere Shares are currently listed on NASDAQ under the symbol “ANY”.

Trading Price and Volume

Sphere Shares

The following table sets forth the market price ranges and average trading volumes of the Sphere Shares on the NASDAQ over the 12-month period prior to the date of the Information Circular:

Period	High (US\$)	Low (US\$)	Trading Volume
March 2025	6.90	3.76	27,507
April 2025	6.25	3.61	36,365
May 2025	10.40	5.60	57,046
June 2025	8.27	5.20	39,734
July 2025	8.50	5.25	123,518
August 2025	6.59	4.60	117,222
September 2025	7.66	5.70	52,685
October 2025	12.60	6.80	122,158
November 2025	7.38	4.21	55,174
December 2025	5.25	2.95	39,552
January 2026	3.79	2.44	43,579
February 2026	2.60	1.08	249,958
March 2026	1.91	1.27	1,382,766
April 2026*	1.56	1.44	59,134

Source: www.nasdaq.com

* As of April 2, 2026

On March 9, 2026, the last trading day on which the Sphere Shares were traded on NASDAQ prior to the announcement of the Transaction, the closing price of the Sphere Shares on NASDAQ was US\$1.82.

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

As of the date of this Information Circular, there are no securities of Sphere held in escrow or subject to contractual restrictions on transfer, other than restrictions under applicable securities laws or under equity compensation plans of Sphere.

Principal Securityholders

To the knowledge of the directors and executive officers of the Sphere, as at the date of this Information Circular, no person beneficially owns, or controls or directs, directly or indirectly, more than 10% of securities of Sphere.

Directors and Executive Officers

Name and Municipality of Residence and Position with Sphere	Director / Officer Since	Principal Occupation for the Past Five Years
Duncan McEwan ^{(1), (2), (3), (4)} Ontario, Canada Director and Chairman of the Board	May 10, 2017	Corporate Director and former President of Diligent Inc., a personal consulting company founded in 1991
Timothy Hanley ^{(1), (2), (3), (4)} Wisconsin, United States Director	May 31, 2022	Acting Keyes Dean, College of Business at Marquette University (2020 – 2024) Senior Partner, Deloitte & Touche LLP (2002 – 2019)
Susan S. Harnett ^{(1), (2), (3), (4)} Colorado, United States Director	November 11, 2022	Senior Advisor, New York's FinTech Innovation Lab since 2015
Kurt L. Kalbfleisch California, United States Chief Executive Officer; Senior Vice President, Chief Financial Officer, and Secretary	CEO since November 6, 2025 (Acting CEO from January 31, 2025) CFO and Secretary since December 1, 2014	Chief Executive Officer, Sphere since November 6, 2025 (Acting Chief Executive Officer from January 31, 2025); Senior Vice President, Chief Financial Officer, and Secretary, Sphere since December 1, 2014 (and its predecessor company Overland Storage, Inc. from February 2008 until July 19, 2022)

Notes:

- (1) Independent Director.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Nominating and Governance Committee.

The directors and executive officers of Sphere, as a group, own, directly or indirectly, an aggregate of **117,620** Sphere Shares representing approximately **3.12%** of the total issued and outstanding Sphere Shares as of the date of this Information Circular.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of Sphere, none of the directors or executive officers of Sphere (or a personal holding company of a director or executive officer of Sphere) are, as at the date of this Information Circular, nor have they been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including Sphere) that, while acting in that capacity, was the subject of a cease trade order, an order

similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, or after ceasing to be a director, chief executive officer or chief financial officer of the company, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

Bankruptcies

To the knowledge of Sphere, no director or executive officer of Sphere (or any personal holding company of a director or executive officer of Sphere) or a security holder who holds a sufficient number of securities of Sphere to affect materially the control of Sphere, are, as at the date of this Information Circular, nor have they been within 10 years before the date of this Information Circular, been, a director or executive officer of any company (including Sphere) that, while acting in such capacity, or within a year of ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets or has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold any of the director's, officer's or shareholder's assets.

Penalties or Sanctions

To the knowledge of Sphere, no director, officer (or any personal holding company of a director or officer of Sphere) or shareholder holding a sufficient number of securities of Sphere to affect materially the control of Sphere, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority nor entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director or making an investment decision.

Conflicts of Interest

The Sphere Board has a policy of reviewing directorships and committee appointments held by directors in other public companies, ensuring each director is able to fulfill his or her duties and that conflicts of interest are avoided. Ms. Harnett is the only Sphere Board member that currently serves on the board of another public company.

All such conflicts will be dealt with pursuant to the provisions of the applicable corporate legislation. In the event that such a conflict of interest arises at a meeting of the directors, a director affected by the conflict must disclose the nature and extent of their interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises. Directors and executive officers are required to disclose any conflicts or potential conflicts of interest to the Sphere Board as soon as they become aware of them.

Executive Compensation

For purposes of Executive Compensation, Sphere's named executive officers ("NEOs") are determined under rules prescribed by the U.S. Securities and Exchange Commission and for smaller reporting companies such as us, generally include: (1) each individual who, at any time during the year, served as Sphere's principal executive officer, (2) Sphere's two most highly compensated executive officers other than the principal executive officer who were serving as executive officers at the end of the last completed fiscal year, and (3) up to two other individuals who served as executive officers during the year and are not serving as executive officers on the last day of the year.

For fiscal year 2025, Sphere's NEOs were (i) Kurt L. Kalbfleisch, Chief Executive Officer and Chief Financial Officer, (ii) Patricia Trompeter, former Chief Executive Officer, and (iii) Tiah Reppas, Chief Accounting Officer.

Compensation Discussion and Analysis

Sphere's executive compensation programs are determined by the Compensation Committee, within the scope of the authority delegated to it by the Sphere Board and subject to applicable law. The goals of the program are to attract and retain highly qualified and experienced executives and to provide compensation opportunities that are linked to corporate and individual performance. Decisions by the Compensation Committee on Sphere's executive compensation programs are subjective and the result of its business judgment, which is informed by the experiences of the Compensation Committee members. The Compensation Committee may also utilize outside compensation consultants. During fiscal year 2025, the Compensation Committee did not utilize an independent compensation consultant; however, it did utilize NFP Compensation Consultants ("**NFP**") as its independent compensation consultant during fiscal year 2023 and the Compensation Committee maintained the same compensation strategy recommended by NFP in 2023 when making compensation decisions during fiscal year 2024 and 2025.

Sphere's NEOs do not have any role in determining their own compensation, although the Compensation Committee did consider the recommendations of the former Chief Executive Officer in setting compensation levels for Sphere's NEOs other than herself. The primary components of Sphere's executive compensation program are base salary, performance bonuses and long-term equity incentive awards.

Base Salaries. Base salaries are primarily intended to attract and retain highly qualified executives by providing them with fixed, predictable levels of compensation. Such base salaries are subject to periodic review and adjustment by the Compensation Committee.

Performance Bonuses. The Compensation Committee did not approve a bonus plan for fiscal year 2025, but did award spot bonuses to Kurt Kalbfleisch for assuming the role of Acting Chief Executive Officer of the Corporation.

Long-Term Equity Incentive Awards. Long-term equity incentives are intended to align Sphere's NEOs' interests with those of Sphere's shareholders as the ultimate value of these awards depends on the value of Sphere Common Shares. Sphere has historically granted equity awards in the form of stock options or restricted share units with an exercise price or issue price, as applicable, that is equal to the per-share closing market price of Sphere Common Shares on the grant date. In recent years, Awards have also been granted as provided for under Sphere's 2025 Plan. The Compensation Committee believes that stock options or restricted share units are an effective vehicle for aligning the interests of Sphere executives with those of its shareholders. The stock options and restricted stock units function as a retention incentive for the NEOs as they typically vest over a multi-year period following the date of grant. Restricted stock units, which are payable in Sphere Common Shares, also link the interests of the award recipient with those of Sphere's shareholders as the potential value of the award is directly linked to the value of Sphere Common Shares. NEOs' equity awards are subject to accelerated vesting in certain circumstances under their agreements with Sphere are described below.

Summary Compensation Table for Fiscal Year 2025

The following table sets forth the compensation for services rendered by Sphere's NEOs for the fiscal years ended December 31, 2025 and 2024.

Name and Principal Position	Year	Salary (US\$)	Bonus (US\$)	Stock Awards (1) (US\$)	All Other Compensation (2) (US\$)	Total Compensation (US\$)
Kurt L. Kalbfleisch	2025	342,523	533,741	1,034,238	(3) 61,889	1,972,391
Chief Executive Officer, Chief Financial Officer and Secretary	2024	320,000	430,460	294,425	(4) 45,602	1,090,487
Patricia Trompeter ⁽⁵⁾	2025	90,000	116,507	917,240	(6) 78,667	(7) 1,202,414
Former Chief Executive Officer	2024	444,231	635,000	2,178,850	(8) 18,368	3,276,449
Tiah Reppas ⁽⁹⁾ Chief Accounting Officer	2025	173,423	126,206	291,560	(10) 96,550	(11) 687,739

(1) The amounts shown in this column represent the grant date fair value of the awards granted during fiscal year 2025 and 2024 in accordance with relevant accounting principles and do not reflect compensation received by the NEO.

(2) Unless otherwise footnoted, the amounts shown in the "All Other Compensation" column reflect amounts paid on the behalf of NEOs' for health insurance premiums and certain out-of-pocket medical expenses.

(3) This amount is comprised of two restricted stock units as follows: (i) 62,500 shares granted on January 29, 2025 and valued at US\$8.66 per share on the grant date (the closing market price for a common share of Sphere on that date), and (ii) 100,000 shares granted on April 22, 2025 and valued at US\$4.93 per share on the grant date (the closing market price for a common share of Sphere on that date).

(4) This amount is comprised of two restricted stock units as follows: (i) 12,500 shares granted on March 27, 2024 and valued at US\$13.60 per share on the grant date (the closing market price for a common share of Sphere on that date), and (ii) 10,500 shares granted on May 21, 2024 and valued at US\$11.85 per share on the grant date (the closing market price for a common share of Sphere on that date).

(5) Ms. Trompeter passed away on March 4, 2025.

(6) This amount is comprised of a restricted stock unit for 105,978 shares granted on January 29, 2025 and valued at US\$8.66 per share on the grant date (the closing market price for a common share of Sphere y on that date).

(7) This amount represents accrued vacation paid to Ms. Trompeter's estate following her passing.

(8) This amount is comprised of two restricted stock units as follows: (i) 100,000 shares granted on January 15, 2024 and valued at US\$19.30 per share on the grant date (the closing market price for a common share of Sphere on that date), and (ii) 21,000 shares granted on May 21, 2024 and valued at US\$11.85 per share on the grant date (the closing market price for a common share of Sphere on that date).

(9) Ms. Reppas was appointed Chief Accounting Officer on December 17, 2025.

(10) This amount is comprised of two restricted stock units as follows: (i) 10,000 shares granted on March 4, 2025 and valued at US\$5.90 per share on the grant date (the closing market price for a common share of Sphere on that date), and (ii) 50,000 shares granted on December 9, 2025 and valued at US\$4.65 per share on the grant date (the closing market price for a common share of Sphere on that date).

(11) This amount includes consulting fees in the amount of US\$83,700 paid to Ms. Reppas prior to her employment with Sphere.

Employment, Severance and Change in Control Agreements

Patricia Trompeter. Ms. Trompeter served as Sphere’s Chief Executive Officer from April 5, 2022 until her passing on March 4, 2025.

On January 15, 2024 Sphere entered into a new employment agreement with Ms. Trompeter (the “**Employment Agreement**”), which replaced the employment agreement entered into between Sphere and Ms. Trompeter in 2022. Under the Employment Agreement, Sphere paid Ms. Trompeter an annual base salary of US\$450,000. At the discretion of the Sphere Board, Ms. Trompeter was eligible to receive an annual discretionary bonus up to 150% of her base salary and additional restricted stock units based upon the achievement of certain performance and financial thresholds to be determined by the Sphere Board. Ms. Trompeter was also entitled to health insurance benefits and to participate in any employee benefit plans, life insurance plans, disability income plans, retirement plans, expense reimbursement plans and other benefit plans that Sphere may from time to time have in effect for any of its executive management employees (“**Benefits**”).

Upon the occurrence of a Change of Control (as defined in the Employment Agreement), or if the Change of Control occurs within eight months after the termination of Ms. Trompeter’s employment (i) by Sphere without Cause, (ii) by Ms. Trompeter for Good Reason (each as defined in the Employment Agreement), or (iii) because of death, Ms. Trompeter shall be entitled to receive from 1.5 to 2 times her base salary and bonus depending on the transaction value ranging from US\$20 million to US\$65 million. Any unvested equity awards will vest from 25% to 100% depending on the transaction value ranging from US\$20 million to US\$65 million.

All compensation and unvested benefits payable under the Employment Agreement terminate on the date of the termination of Ms. Trompeter’s employment, unless Ms. Trompeter’s employment was terminated by Sphere without cause or by Ms. Trompeter for good reason, each as defined in the Employment Agreement, or as a result of a material breach by Sphere of any of its obligations under the Employment Agreement or any other agreement to which Sphere and Ms. Trompeter are parties, in which case Ms. Trompeter was entitled to (i) continued payment of her base salary at the rate and schedule then in effect for a period of 18 months after the date of termination; and (ii) continued Benefits for 12 months after the date of termination, with an additional month of Benefits to be added for every completed year of service as Chief Executive Officer or if no health insurance plan exists, continuation of reimbursement of Ms. Trompeter’s costs for the aforementioned benefit for a period of 12 months, subject to a maximum reimbursement to Ms. Trompeter of US\$25,000.

Under the Employment Agreement, upon Ms. Trompeter’s passing she received no payments other than accrued and unpaid wages and bonuses, vacation pay, vested equity awards and RSUs, and any other amounts to which Ms. Trompeter may be entitled under the Employment Agreement to the effective date of termination, including a pro-rated portion of Ms. Trompeter’s target bonus for the current year of service calculated to the date of Ms. Trompeter’s passing. In addition, if any unvested RSUs or other equity grants would become vested within 30 days following Ms. Trompeter’s passing, such RSUs and other equity grants will be deemed vested as of the day immediately prior to Ms. Trompeter’s passing. All such amounts will be paid to Ms. Trompeter’s estate.

Under the Employment Agreement, on January 15, 2024, Ms. Trompeter received 100,000 restricted stock units, valued at US\$1,930,000 based upon the Sphere common share price on the date of grant of US\$19.30, 25% of which vested on January 15, 2024, and the remaining which vested in equal quarterly installments. On March 3, 2025,

9,375 restricted stock units vested in accordance with Ms. Trompeter's Employment Agreement, and the remaining 28,125 restricted stock units were cancelled.

In May 2024, the Sphere Board approved 21,000 restricted stock units for Ms. Trompeter valued at \$248,850 based upon the common share price on the date of grant of US\$11.85. The restricted stock units vested on the date of grant.

In January 2025, the Sphere Board approved a fiscal year 2024 annual bonus for Ms. Trompeter in the amount of US\$635,000 and 105,978 restricted stock units, valued at \$917,242 based upon the Sphere common share price on the date of grant of US\$8.66. On March 3, 2025, 13,247 restricted stock units vested in accordance with Ms. Trompeter's Employment Agreement, and the remaining 92,731 restricted stock units were cancelled.

No further amounts are owing to Ms. Trompeter by Sphere.

Kurt L. Kalbfleisch. On March 27, 2024, Sphere entered into a new employment agreement with Mr. Kalbfleisch (the "**March 2024 Kalbfleisch Employment Agreement**"), which replaced the employment agreement entered into between Sphere and Mr. Kalbfleisch in 2022. Under the March 2024 Kalbfleisch Employment Agreement, Mr. Kalbfleisch served as Sphere's Chief Financial Officer and was paid an annual base salary of US\$320,000. At the discretion of the Chief Executive Officer, Mr. Kalbfleisch will be eligible to receive an annual discretionary bonus up to 75% of his base salary and additional restricted stock units based upon the achievement of certain performance and financial thresholds to be determined by the Chief Executive Officer and approved by the Sphere Board. Mr. Kalbfleisch is also entitled to health insurance benefits and to participate in any employee benefit plans, life insurance plans, disability income plans, retirement plans, expense reimbursement plans and other benefit plans that Sphere may from time to time have in effect for any of Sphere's executive management employees ("**Benefits**").

All compensation and unvested benefits payable under the March 2024 Kalbfleisch Employment Agreement shall terminate on the date of the termination of Mr. Kalbfleisch's employment, unless Mr. Kalbfleisch's employment is terminated by Sphere without cause or by Mr. Kalbfleisch for good reason, each as defined in the March 2024 Kalbfleisch Employment Agreement, or as a result of a material breach by Sphere of any of its obligations under the March 2024 Kalbfleisch Employment Agreement or any other agreement to which Sphere and Mr. Kalbfleisch are parties, in which case Mr. Kalbfleisch shall be entitled to (i) continued payment of his base salary at the rate and schedule then in effect for a period of 18 months after the date of termination; (ii) 50% of his target bonus for a period of 18 months; (iii) continued Benefits for eight months after the date of termination, with an additional month of Benefits to be added for every completed year of service as Chief Financial Officer or if no health insurance plan exists, continuation of reimbursement of Mr. Kalbfleisch's costs for the Benefits for a period of eight months, subject to a maximum reimbursement to Mr. Kalbfleisch of US\$25,000; and (iv) the immediate vesting of any outstanding unvested stock options or stock awards.

Under the March 2024 Kalbfleisch Employment Agreement, on March 27, 2024, Mr. Kalbfleisch received 12,500 restricted stock units, valued at US\$170,000 based upon the Sphere Common Share price on the date of grant of US\$13.60, 25% of which vested on March 27, 2024, and the remaining which vest in equal quarterly installments beginning June 30, 2024 and ending January 31, 2026.

In May 2024, the Sphere Board approved 10,500 restricted stock units for Mr. Kalbfleisch valued at US\$124,425 based upon the Sphere Common Share price on the date of grant of US\$11.85. The restricted stock units vested on the date of grant.

During fiscal year 2024, the Sphere Board approved two discretionary bonuses for Mr. Kalbfleisch in the aggregate amount of US\$70,460.

In January 2025, the Sphere Board approved a fiscal year 2024 annual bonus for Mr. Kalbfleisch in the amount of US\$360,000 and 62,500 restricted stock units, with a fair value of \$540,938 based upon the Sphere Common Share price on the date of grant of US\$8.66. The RSU vests quarterly beginning March 31, 2025 and ending December 31,

2026. The Sphere Board also approved a 5.0% salary increase for Mr. Kalbfleisch from US\$320,000 to US\$336,000 annually.

On April 22, 2025, Sphere entered into an amended and restated employment agreement with Mr. Kalbfleisch (the **“April 2025 Kalbfleisch Employment Agreement”**), which amends and restates the March 2024 Kalbfleisch Employment Agreement in its entirety. Under the April 2025 Kalbfleisch Employment Agreement, Mr. Kalbfleisch served as Sphere’s Chief Financial Officer and, during the period where no replacement Chief Executive Officer had been appointed, Sphere’s Interim Chief Executive Officer. Sphere will pay Mr. Kalbfleisch an annual base salary of US\$336,000. At the discretion of Sphere’s Chief Executive Officer (or if Mr. Kalbfleisch is then serving as Interim Chief Executive Officer, the Sphere Board), Mr. Kalbfleisch will be eligible to receive an annual discretionary bonus up to 75% of his base salary and additional restricted stock units based upon the achievement of certain performance and financial thresholds to be determined by Sphere’s Chief Executive Officer (or if Mr. Kalbfleisch is then serving as Interim Chief Executive Officer, the Sphere Board) and approved by the Sphere Board. Mr. Kalbfleisch is also entitled to health insurance benefits and to participate in any employee benefit plans, life insurance plans, disability income plans, retirement plans, expense reimbursement plans and other benefit plans that Sphere may from time to time have in effect for any of Sphere’s executive management employees.

All compensation and unvested benefits payable under the April 2025 Kalbfleisch Employment Agreement shall terminate on the date of the termination of Mr. Kalbfleisch’s employment, unless Mr. Kalbfleisch’s employment is terminated by Sphere without cause or by Mr. Kalbfleisch for good reason, each as defined in the April 2025 Kalbfleisch Employment Agreement, or as a result of a material breach by Sphere of any of its obligations under the April 2025 Kalbfleisch Employment Agreement or any other agreement to which Sphere and Mr. Kalbfleisch are parties, in which case Mr. Kalbfleisch shall be entitled to (i) continued payment of his base salary at the rate and schedule then in effect for a period of 18 months after the date of termination; (ii) 50% of his target bonus for a period of 18 months; (iii) continued health and life insurance benefits (**“Benefits”**) for 12 months after the date of termination, with an additional month of Benefits to be added for every completed year of service as Chief Financial Officer or at Mr. Kalbfleisch’s discretion, retaining or obtaining family medical, dental, vision and/or other insurance plans and benefits, the cost of which shall be reimbursed by Sphere for a period of 12 months after the date of termination, subject to a maximum average monthly reimbursement of US\$5,000; and (iv) the immediate vesting of any outstanding unvested stock options, restricted stock units or other stock awards.

Under the April 2025 Kalbfleisch Employment Agreement, on April 17, 2025, Mr. Kalbfleisch received 100,000 restricted stock units, valued at US\$493,300 based upon the common share price on the date of grant of US\$4.93, 25% of which vested on June 1, 2025, and the remaining which vest in equal quarterly installments beginning September 1, 2025 and ending June 1, 2027.

On May 8, 2025, Sphere entered into a second amended and restated employment agreement with Mr. Kalbfleisch (the **“May 2025 Kalbfleisch Employment Agreement”**), which amends and restates the April 2025 Kalbfleisch Employment Agreement in its entirety. Under the May 2025 Kalbfleisch Employment Agreement, Mr. Kalbfleisch served as Sphere’s Chief Financial Officer and, during the period where no replacement Chief Executive Officer has been appointed, Sphere’s Interim Chief Executive Officer. The April 2025 Kalbfleisch Employment Agreement was amended to (i) change the definition of Change of Control to include as an additional trigger that if the majority of the members of the Sphere Board are replaced during any twelve month period by directors whose appointment or election is not endorsed by a majority of the members of the Sphere Board prior to the date of the appointment or election, and (ii) to amend the definition of Good Reason to also include the denial of Mr. Kalbfleisch working remotely.

On November 11, 2025, Sphere entered into a third amended and restated employment agreement with Mr. Kalbfleisch (the “**November 2025 Kalbfleisch Employment Agreement**”), which amends and restates the May 2025 Kalbfleisch Employment Agreement in its entirety. Under the November 2025 Kalbfleisch Employment Agreement, Mr. Kalbfleisch will serve as Sphere’s Chief Executive Officer. Sphere will pay Mr. Kalbfleisch an annual base salary of US\$400,000. At the discretion of the Sphere Board, Mr. Kalbfleisch will be eligible to receive an annual discretionary bonus up to 110% of his base salary and additional restricted stock units based upon the achievement of certain performance and financial thresholds to be determined by the Sphere Board. Mr. Kalbfleisch is also entitled to health insurance benefits and to participate in any employee benefit plans, life insurance plans, disability income plans, retirement plans, expense reimbursement plans and other benefit plans that Sphere may from time to time have in effect for any of Sphere’s executive management employees.

All compensation and unvested benefits payable under the November 2025 Kalbfleisch Employment Agreement shall terminate on the date of the termination of Mr. Kalbfleisch's employment, unless Mr. Kalbfleisch's employment is terminated by Sphere without cause or by Mr. Kalbfleisch for good reason, each as defined in the November 2025 Kalbfleisch Employment Agreement, or as a result of a material breach by Sphere of any of its obligations under the November 2025 Kalbfleisch Employment Agreement or any other agreement to which Sphere and Mr. Kalbfleisch are parties, in which case Mr. Kalbfleisch shall be entitled to (i) continued payment of his base salary at the rate and schedule then in effect for a period of 18 months after the date of termination; (ii) 75% of his target bonus for a period of 18 months; (iii) continued Benefits for 18 months after the date of termination, or at Mr. Kalbfleisch's discretion, retaining or obtaining family medical, dental, vision and/or other insurance plans and benefits, the cost of which shall be reimbursed by Sphere for a period of 18 months after the date of termination, subject to a maximum average monthly reimbursement of US\$5,000; and (iv) the immediate vesting of any outstanding unvested stock options, restricted stock units or other stock awards.

On March 5, 2026, Sphere entered into an amendment (the “**Kalbfleisch Amendment**”) to the November 2025 Kalbfleisch Employment Agreement. The Kalbfleisch Amendment amends certain provisions of the November 2025 Kalbfleisch Employment Agreement, including the benefits available to Mr. Kalbfleisch if the November 2025 Kalbfleisch Employment Agreement is terminated by Sphere without Cause (as defined in the November 2025 Kalbfleisch Employment Agreement) or by Mr. Kalbfleisch for Good Reason (as defined in the November 2025 Kalbfleisch Employment Agreement and as amended by the Kalbfleisch Amendment). Additionally, on March 5, 2026, Sphere and Cathedra entered into the Arrangement Agreement pursuant to which Sphere has agreed to acquire Cathedra in a stock-for-stock transaction, subject to satisfaction of certain closing conditions, and the Kalbfleisch Amendment provides that as of the closing of the Arrangement, Mr. Kalbfleisch’s Base Salary (as defined in the November 2025 Kalbfleisch Employment Agreement) shall be reduced to US\$330,000 and his Target Bonus (as defined in the November 2025 Kalbfleisch Employment Agreement) for 2026 and subsequent years shall be reduced to 90% of his Base Salary. The Kalbfleisch Amendment also provides (1) a cash bonus of US\$300,000 to Mr. Kalbfleisch if the Arrangement is consummated and Mr. Kalbfleisch remains employed with Sphere at that time; and (2) a cash bonus of US\$1,095,000, subject to the performance of certain performance milestones set forth in the Kalbfleisch Amendment. To the extent the Arrangement is not consummated, the Kalbfleisch Amendment shall be deemed null and void and of no further effect.

During fiscal year 2025, the Sphere Board approved a discretionary bonus for Mr. Kalbfleisch in the amount of US\$93,741. In February 2026, the Sphere Board approved a fiscal year 2025 annual bonus for Mr. Kalbfleisch in the amount of US\$440,000.

On March 4, 2026, Mr. Kalbfleisch received 150,000 restricted stock units, valued at US\$207,000 based upon the Sphere Common Share price on the date of grant of US\$1.38, which vest one day prior to the closing of the Arrangement or 364 days from the date of grant, whichever occurs first.

Tiah Reppas. On December 17, 2025, Sphere appointed Ms. Reppas as its Chief Accounting Officer and entered into an employment agreement with Ms. Reppas (the “**Reppas Employment Agreement**”) which amends and restates the offer letter between Sphere and Ms. Reppas, dated April 7, 2025 (the “**Offer Letter**”), in its entirety. Pursuant to the Reppas Employment Agreement, Sphere will pay Ms. Reppas an annual base salary of US\$280,000. At the discretion of the Sphere Board, Ms. Reppas will be eligible to receive an annual discretionary bonus up to 60% of her base salary, and additional restricted stock units based upon the achievement of certain performance and financial thresholds to be determined by the Sphere Board. Ms. Reppas is also entitled to participate in any employee benefit plans Sphere may from time to time have in effect for any of Sphere’s executive management employees.

All compensation and unvested benefits payable under the Reppas Employment Agreement shall terminate on the date of the termination of Ms. Reppas's employment, unless Ms. Reppas's employment is terminated by Sphere without cause or by Ms. Reppas for good reason, each as defined in the Reppas Employment Agreement, or as a result of a material breach by Sphere of any of its obligations under the Reppas Employment Agreement or any other agreement to which Sphere and Ms. Reppas are parties, in which case Ms. Reppas shall be entitled to (i) continued payment of her base salary at the rate and schedule then in effect for a period of six months after the date of termination; (ii) 25% of her target bonus for a period of six months; (iii) continuation of certain benefits for six months after the date of termination; and (iv) the immediate vesting of any outstanding unvested stock options, restricted stock units or other stock awards that vest within 12 months after the date of termination.

In the event Sphere consummates a significant corporate transaction, as determined by the CEO, and Ms. Reppas’ employment with Sphere remains in good standing, she will be eligible to receive a one-time bonus of US\$75,000, payable to her within 60 days of the closing date of such transaction.

In connection with the Reppas Employment Agreement, on December 9, 2025, Ms. Reppas received 50,000 restricted stock units valued at US\$232,550, based upon the common share price on the date of grant of US\$4.65, 30% of which vested on March 1, 2026, and the remaining which vest in equal quarterly installments beginning June 1, 2026 and ending December 1, 2027.

Under the Offer Letter, on March 4, 2025, Ms. Reppas received a signing bonus of US\$36,206 and 10,000 restricted stock units valued at US\$59,010, based upon the common share price on the date of grant of US\$5.90, which vest in equal quarterly installments beginning March 1, 2026 through March 1, 2027.

In February 2026, the Sphere Board approved a fiscal year 2025 annual bonus for Ms. Reppas in the amount of US\$90,000.

On March 4, 2026, Ms. Reppas received 50,000 restricted stock units, valued at US\$69,000 based upon the Sphere Common Share price on the date of grant of US\$1.38, which vest one day prior to the closing of the Arrangement or 364 days from the date of grant, whichever occurs first.

Outstanding Equity Awards at 2025 Fiscal Year-End

The following table provides information about the current holdings of stock and option awards by Sphere's NEOs at December 31, 2025.

Name	<u>Option-based Awards</u>		<u>Stock Awards</u>			
	<u>Number of Securities Underlying Unexercisable</u>	<u>Number of Securities Underlying Unexercisable</u>	<u>Option Exercise Price (US\$)</u>	<u>Option Expiration Date</u>	<u>Number of Units of Stock Not Vested (#)</u>	<u>Market Value of Units of Stock Not Vested(1) (US\$)</u>
Kurt L. Kalbfleisch	3,214	—	47.52	6/27/2028	88,672 (2)	264,243
Patricia Trompeter	8,035	—	126.00	3/5/2026	—	—
Tiah Reppas	—	—	—	—	56,250 (3)	167,625

(1) This column is based on the Sphere common share closing market price of US\$2.98 as of December 31, 2025.

(2) These shares comprise three stock awards scheduled to vest as follows: (i) 1,172 shares vest on March 31, 2026; (ii) 7,812 shares vest each quarter beginning March 31, 2026 through December 31, 2026; and (iii) 9,375 shares vest each quarter beginning March 1, 2026 through June 1, 2027.

(3) These shares comprise two stock awards scheduled to vest as follows: (i) 1,250 shares vest each quarter beginning March 1, 2026 through March 1, 2027; and (ii) 15,000 shares vest on March 1, 2026 and 5,000 shares vest each quarter beginning June 1, 2026 through December 1, 2027.

Indebtedness of Directors and Executive Officers

As of the date of this Information Circular, no director, executive officer, senior officer, employee, proposed director or former director, executive officer, senior officer or employee of Sphere or any of its subsidiaries or any associate of any of the foregoing persons is or has been, at any time since the beginning of the most recently completed financial year of Sphere, indebted to Sphere or its subsidiaries, nor at any time since the beginning of the most recently completed financial year of Sphere has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Sphere or any of its subsidiaries.

Audit Committee and Corporate Governance

General

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. Each reporting issuer, such as Sphere, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is Sphere's required annual disclosure of its corporate governance practices.

Director Independence

The Sphere Board has determined that the following current directors are independent within the meaning of NI 58-101 and NI 52-110 and Nasdaq Marketplace Rule 5605(a)(2): Timothy Hanley, Susan Harnett, and Duncan McEwan. The Sphere Board is currently comprised of three independent directors and a majority of independent directors.

Meetings of Independent Directors

The independent directors on the Sphere Board and each of the committees meet regularly without management (including non-independent directors) present as part of Sphere Board meetings scheduled in the ordinary course. During the last completed fiscal year of Sphere, the Sphere Board and the committees met as follows:

	Board Meetings Held	Board Meetings Held	Unanimous Written Consents
Board	25	3	13
Audit Committee	4	—	—
Nominating and Governance Committee (1)	—	—	—
Compensation Committee (2)	2	2	6

Notes:

(1) Though the Nominating and Governance Committee did not hold any separate meetings in 2025, each member of the Sphere Board is a member of the Nominating and Governance Committee. Accordingly, business of the Nominating and Governance Committee was addressed in full Sphere Board meetings.

(2) Includes joint unanimous written consents with the Compensation Committee and full Sphere Board.

Attendance

Each director serving during the last completed fiscal year attended at least 75% of the meetings of the Sphere Board and the committees of the Sphere Board upon which such director served. It is the Sphere Board's policy that, absent any unusual circumstances, all director nominees standing for election will attend the Company's annual meeting of shareholders. Each such director attended the Company's annual meeting of shareholders held on May 29, 2025.

Directorships

The Sphere Board has a policy of reviewing directorships and committee appointments held by directors in other public companies, ensuring each director is able to fulfill his or her duties and that conflicts of interest are avoided. Ms. Harnett is the only Sphere Board member that currently serves on the board of another public company.

The Sphere Board's Role in Risk Oversight and Mandate of the Sphere Board

The mandate of the Sphere Board is to supervise the management of the business and affairs of Sphere with a view to evaluating, on an ongoing basis, whether Sphere's resources are being managed in a manner consistent with enhancing shareholder value, ethical considerations, and corporate social responsibility. Such mandate includes, without limitation, responsibility for risk oversight. While the full Sphere Board is charged with ultimate oversight responsibility for risk management, committees of the Sphere Board also have responsibilities with respect to various aspects of risk management oversight.

The Sphere Board Mandate adopted on March 27, 2015 sets out the key responsibilities of the Sphere Board in fulfilling its role. The full text of the Sphere Board Mandate is available on Sphere's website at www.sphere3d.com. The Sphere Board's principal responsibilities relate to the stewardship of management and are summarized below:

- (i) review and approve Sphere's strategic planning process and periodic capital and operating plans;
- (ii) review the Sphere's human resources policies, including the approval of the compensation of executive officers, and implement succession planning, including appointing, counseling, and monitoring the performance of executive officers;
- (iii) with assistance from the Nominating and Governance Committee, adopt and enforce good corporate governance practices;
- (iv) oversee the management of risks and the implementation of internal controls;
- (v) establish policies and procedures for the disclosure of reliable and timely information to shareholders and other stakeholders, and for the proper communication with shareholders, customers, and governments; and
- (vi) review policies and procedures to confirm ethical behaviors of Sphere and its employees, monitors compliance with applicable laws and legislation, and satisfy itself as to the integrity of the executive officers; and with assistance from the Nominating and Governance Committee, assess the performance of the Sphere Board, its committees, and each director.

Position Descriptions

The Sphere Board has adopted a written position description for the Chairman, which is set out in the Sphere Board Mandate available on Sphere's website at www.sphere3d.com. The Chairman is principally responsible for overseeing the operations and affairs of the Sphere Board. The Sphere Board has not developed written position descriptions for the Chief Executive Officer or the Chair of each Sphere Board committee. The Sphere Board committees each have a written charter which orients the conduct of the Chair of each committee. See "*Corporate Governance – Sphere Board Committees*." Each such charter is available on Sphere's website at www.sphere3d.com. The Chief Executive Officer's role and responsibilities are set forth in the Chief Executive Officer's employment agreement, and annual performance metrics and goals are established and approved by the Sphere Board and the Compensation Committee.

Orientation and Continuing Education

The Sphere Board has not adopted a formal policy on the orientation and continuing education of new and current directors. When a new director is appointed, the Sphere Board delegates individual directors the responsibility for providing an orientation and education program for such new director. This may be delivered through informal meetings between the new directors and the Sphere Board and senior management, complemented by presentations on the main areas of Sphere's business, and on the role of the Sphere Board, of Sphere's committees and of directors. When required, the Sphere Board may arrange for topical seminars to be provided to members of the Sphere Board or committees of the Sphere Board. Such seminars may be provided by one or more members of the Sphere Board and management or by external professionals.

Measures to Encourage Ethical Business Conduct

The Sphere Board has adopted a Code of Business Conduct and Ethics Policy (the "**Code**") to govern the business-related conduct of all employees, officers, directors, agents, and contractors of Sphere to maintain the highest standards of ethical conduct in corporate affairs. This Code is intended to comply with applicable securities legislation and stock exchange rules. Specifically, the purpose of this Code is (i) to encourage among the Sphere's

representatives a culture of honesty, accountability, and mutual respect; (ii) to provide guidance to help the Sphere's representatives recognize ethical issues; and (iii) to provide mechanisms to support the resolution of ethical issues.

The Sphere Board also monitors compliance by requiring directors and officers to declare any conflicts of interest or any other situation that could represent a potential violation of any applicable rules and regulations. When applicable, the Sphere Board will receive reports from management regarding any allegations of unethical conduct. Sphere has implemented a Whistleblower Policy that includes an employee complaint "hotline" to allow employees to report any ethical or financial/accounting concerns on a confidential or anonymous basis.

The Nominating and Governance Committee regularly reviews the Code, the process for administering the Code and compliance with the Code. Any changes to the Code are considered by the Sphere Board for approval. If any substantive amendments are made to the Code or any waivers are granted for a provision of the Code applying to Sphere's principal executive officer or Sphere's principal financial or accounting officer, the nature of such amendment or waiver will be disclosed on Sphere's website or in a current report on Form 8-K. The Code can be found on Sphere's website at <http://investors.sphere3d.com> and on SEDAR+ at www.sedarplus.ca and is filed as an exhibit to Sphere's Annual Report on Form 10-K, which can be found at www.sec.gov.

Nomination of Directors and Officers

During fiscal year 2025, the Sphere Board as a whole was responsible for identifying and evaluating qualified candidates for nomination to the Sphere's Board. Sphere recognizes the importance and benefit of having a board and executive officers comprised of highly talented and experienced individuals who reflect the diversity of the Sphere's stakeholders, including its customers and employees and the changing demographics of the communities in which Sphere operates.

While the Sphere Board has not adopted a formal written policy, the Sphere Board and the Nominating and Governance Committee will, when identifying candidates to nominate for election to the Sphere Board or appoint as executive officers:

- (i) consider the competency and skills that the Sphere Board considers necessary for the Sphere Board, as a whole, to possess, the competency and skills that the Sphere Board considers each existing director to possess, the competency and skills that each new nominee will bring to the Sphere Board, and the ability of each new nominee to devote sufficient time and resources to his or her duties as a director;
- (ii) consider individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities having regard to Sphere's current and future plans and objectives, as well as anticipated regulatory and market developments;
- (iii) consider the level of representation of women on the Sphere Board and in executive officer positions along with other markers of diversity when making recommendations for nominees to the Sphere Board or for appointment as executive officers and in general with regard to succession planning for the Sphere Board and executive officers; and
- (iv) as required, engage qualified independent external advisors to assist the Sphere Board in conducting its search for candidates that meet the Sphere Board's criteria regarding skills, experience, and diversity.

Though the Nominating and Governance Committee does not have an official policy by which it will consider persons for Sphere Board nomination identified by shareholders, shareholders can nominate directors pursuant to By-Law No. 2 which are available on SEDAR+ at www.sedarplus.ca.

Industry and institutional knowledge along with commitment and expertise are vital to the successful functioning of the Sphere Board. Given the nature and size of Sphere's business and its industry, the Sphere Board has determined that while it is committed to fostering diversity among board members, it would be unduly restrictive and not in the

best interests of Sphere to adopt specific director term limits. Diversity and Sphere Board renewal will be supported through the other mechanisms designed to address the needs of Sphere (as described elsewhere in this Information Circular) and not through the imposition of arbitrary term limits.

Given the nature and size of Sphere's business and its industry, it may prove to be challenging for Sphere to identify a qualified pool of candidates that adequately reflects the various diverse characteristics that Sphere seeks to promote. Sphere has therefore not adopted any specific women representation targets, but will promote its objectives through the initiatives set out in this Information Circular with a view to identifying and fostering the development of a suitable pool of candidates for nomination or appointment over time. As of the date of this Information Circular, of the three directors serving on the Sphere Board, one (33⅓%), namely Ms. Harnett, is female. Although Sphere has not adopted a written policy in this respect, it is conscious of the value of female representation within a group.

Assessment of Directors, the Board and Board Committees

Effective March 21, 2013, the Sphere Board established a Nominating and Governance Committee as a standing committee of the Sphere Board, the primary function of which is to oversee corporate governance activities as described above. The Nominating and Governance Committee assesses and provides recommendations on an annual basis to the Sphere Board on the effectiveness of the Sphere Board as a whole, the committees, and the contribution of individual directors. All directors are free to make suggestions on improvement of the Sphere Board's practices at any time and are encouraged to do so. The Chair of the Nominating and Governance Committee will also meet regularly with each director to discuss such director's performance and such director's assessment of the Sphere Board, the committees', and other directors' performance.

Board Committees

The Sphere Board has established an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. The mandate, organization, powers, and responsibilities of each of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee, along with other Corporate Governance documents can be found on Sphere's website at <http://investors.sphere3d.com>.

Audit Committee

Sphere has a standing audit committee as defined in Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "**Audit Committee**"), the primary function of which is to assist the Sphere Board in fulfilling its financial oversight responsibilities, which includes monitoring the quality and integrity of Sphere's financial statements and the independence and performance of Sphere's external auditors, acting as a liaison between the Sphere Board and Sphere's external auditors, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management that the Sphere Board has established.

The Audit Committee is comprised of the following directors: Mr. Hanley (Chair), Mr. McEwan, and Ms. Harnett. Each of the members of the Audit Committee is independent and "financially literate" within the meaning of NI 52-110. In addition to being independent under Nasdaq Marketplace Rule 5605(a)(2), all members of the Audit Committee must meet the additional independence standards for audit committee members set forth in Rule 10A-3(b)(1) of the Exchange Act and Nasdaq Marketplace Rule 5605(c)(2)(A) ("**Audit Committee Independence Rules**"). The Sphere Board has determined that Mr. Hanley qualifies as an audit committee financial expert as defined in Item 407(d)(5) of Regulation S-K under the Exchange Act.

Timothy Hanley served as the Acting Keyes Dean for the College of Business at Marquette University from March 2020 through June 2024. From May 2002 to May 2019, Mr. Hanley worked at Deloitte & Touche LLP ("**Deloitte**"), where he retired as a Senior Partner. During his 17 years at Deloitte, Mr. Hanley led the firm's Global Consumer and Industrial Products practice, which he helped grow to more than \$14 billion in annual revenue. While

at Deloitte, Mr. Hanley served in multiple leadership roles, including the U.S. Vice Chairman and Process and Industrial Products Leader. Since June 2019, Mr. Hanley has been an advisor to Deloitte helping them build a leadership development program in Asia. Mr. Hanley began his career at Arthur Andersen in 1978 and served as an audit partner for large manufacturers. Mr. Hanley served as a board member of the National Association of Manufacturers and regularly advises privately held companies in the consumer products, retail, and distribution industries. Mr. Hanley is a seasoned global executive with experience consulting with manufacturers regarding digital transformation, organizational strategy development and execution, acquisitions, and market development. Mr. Hanley is a qualified financial expert and has significant experience in the board room and working with audit committees. Mr. Hanley holds a Bachelor of Science degree in Accounting from Marquette University.

Susan S. Harnett has been a senior advisor to digital startups and mentor at New York's FinTech Innovation Lab since 2015. Ms. Harnett is a founding limited partner in How Women Invest, and a member of the Executive Board of How Women Lead, organizations committed to increasing venture funding to female founders. Ms. Harnett serves as a member of the board of directors of OFG Bancorp. (NYSE: OFG), a financial holding company based in San Juan, Puerto Rico, since June 2019, serving on the Business Risk and Compliance Committee, Chair of the Nomination and Governance Committee, and served on the Audit Committee. Ms. Harnett also served as a member of the board of directors of Life Storage, Inc. ("**LSI**") (NYSE: LSI), serving on its Audit and Risk Management and Compensation and Human Capital Committees from February 2021 to July 2023 until LSI merged into Extra Space Storage (NYSE: EXR), an owner and operator of self-storage properties, at which time Ms. Harnett became a member of the board of directors of Extra Space Storage servicing on the Nomination and Governance Committee, and Compensation Committee. In April 2021, Ms. Harnett joined the board of GoalSetter as the Astia Venture Capital Representative. From 2012 to 2015, Ms. Harnett was Chief Operating Officer of North America for QBE Insurance Group Limited ("**QBE Insurance**"), an international insurer and reinsurer. From 2001 to 2012, Ms. Harnett held several key positions at Citigroup Inc. ("**Citi**"), a multinational investment bank and financial services company in domestic, international, and global roles. Ms. Harnett also served on the Board of Directors and on the Audit Committee of Wellabe Inc., a mutual insurance company, and First Niagara Financial Group, a \$40 billion in assets publicly traded bank, from 2015 until its acquisition by KeyCorp (NYSE:KEY) in 2016. Ms. Harnett has also served on the boards of QBE Insurance, CitiFinancial, and Visa Canada. Ms. Harnett was Chair of Citi's management board in Germany and of the Global Perspectives Advisory Group of Marquette University's College of Business. Ms. Harnett is a Certified Corporate Director by National Association of Corporate Directors (NACD) and a Qualified Risk Director from the DCRO Institute. Ms. Harnett holds a Bachelor's degree from Marquette University and an Executive Master of Business Administration degree from Northwestern University's Kellogg Graduate School of Management.

Duncan McEwan is a corporate director, and former President of Diligent Inc., a consulting company he founded in 1991 specializing in M&A and strategic advice for technology-based clients. Mr. McEwan was Executive Vice President and Chief Strategy Officer of Call-Net Enterprises Inc., a provider of long-distance telephone services until it merged into Rogers Communication Inc. (2004-2005); President and Chief Operating Officer of Sprint Canada Inc., an integrated, national telecommunications provider (2001-2004); Chief Executive Officer of Northpoint Canada Communications, a provider of high-speed data and Internet (DSL) lines (2000-2001); Vice President of Business Development of Canadian Satellite Communications ("**Cancom**") (1996-1998); and President and Chief Executive Officer of Cancom (1998-2000). Mr. McEwan was Chairman of the Board of Geminare Incorporated, a business continuity and cloud-based software systems provider, from 2010 until October 2021 when the company was sold and has previously served on a number of other public and private company boards. Mr. McEwan holds a Bachelor of Science degree in Zoology from the University of Toronto.

Compensation Committee

The Compensation Committee is a standing committee of the Sphere Board, the primary functions of which are to set performance guidelines for and evaluate the performance of the Chief Executive Officer, review and approve the compensation programs for the Chief Executive Officer and Sphere's other executive officers and members of senior management (subject, in the case of equity-based compensation, to approval by the Sphere Board in accordance with applicable laws), review and make recommendations to the Sphere Board with respect to, succession planning, review and administer the Sphere's long-term incentive plans(s), review and approve other compensation and benefit programs of Sphere, and review Sphere's general human resources policies with senior management. With respect to executive compensation, the Compensation Committee receives recommendations and information from the Chief Executive Officer, as well as outside compensation consultants, regarding issues relevant to determinations made by the Compensation Committee.

The Compensation Committee is comprised of the following directors: Ms. Harnett (Chair), Mr. McEwan and Mr. Hanley, all of whom are independent as per the definition set forth in NI 52-110 and each of whom have prior executive management experience which includes structuring compensation arrangements.

During fiscal year 2025, the Compensation Committee did not utilize an independent compensation consultant.

Nominating and Governance Committee

The Nominating and Governance Committee is a standing committee of the Sphere Board, the primary functions of which is to provide the Sphere Board with advice and recommendations relating to corporate governance in general, including, without limitation, all matters relating to the stewardship role of the Sphere Board in respect of the management of Sphere, Sphere Board size and composition including the identification of new nominees to the Sphere Board and leading the candidate selection process, orientation of new members, board compensation, and such procedures as may be necessary to allow the Sphere Board to function independently of management.

The Nominating and Governance Committee reviews and assesses the effectiveness of the Sphere Board as a whole, the effectiveness and membership of the Sphere Board committees, and the contribution of the individual directors and makes such recommendations to the Sphere Board arising out of such review as it deems appropriate.

The Nominating and Governance Committee is comprised of the following directors: Mr. McEwan (Chair), Mr. Hanley and Ms. Harnett, all of whom are independent as per the definition set forth in NI 52-110.

Communications by Shareholders with Directors

Shareholders may communicate with the Sphere Board, or any individual director, by transmitting correspondence by mail, facsimile, or email, addressed as follows: Board of Directors (or individual director), c/o the Secretary of Sphere. The Secretary will forward such communications to the Sphere Board or to the identified director(s), although spam, junk mail, mass mailings, solicitations, advertisements, and communications that are abusive, in bad taste or that present safety or security concerns may be handled differently, as determined by the Secretary.

Legal Proceedings of Directors, Executive Officers and 5% Beneficial Owners

None of the executive officers, directors, affiliates or any owner of record or beneficially of more than five percent (5%) of any class of voting securities of Sphere, nor any associate of any such executive officer, director, officer, affiliate or security holder of Sphere is a party adverse to Sphere or has a material interest adverse to Sphere.

Indemnification of Sphere's Executive Officers and Directors

In accordance with the by-laws of Sphere, directors and officers are each indemnified by Sphere against all liability and costs arising out of any action or suit against them from the execution of their duties, provided that they have (i) carried out their duties honestly and in good faith with a view to the best interests of Sphere, (ii) have otherwise complied with the provisions of applicable corporate law and (iii) if the matter is a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

Independent Registered Public Accounting Firm Fees and Services

The aggregate fees incurred by Sphere's independent registered public accounting firm, MaloneBailey, LLP, in each of the last two years for audit and other fees are as follows (in thousands):

	<u>2025 (US\$)</u>	<u>2024 (US\$)</u>
Audit fees ⁽¹⁾	\$ 451	\$ 621
Audit related fees ⁽²⁾	—	—
Tax fees ⁽³⁾	—	—
All other fees ⁽⁴⁾	—	—
	<u>\$ 451</u>	<u>\$ 621</u>

-
- (1) Audit fees relate to services rendered for the audits of Sphere's annual financial statements, for the review of Sphere's quarterly financial statements, and for services that are normally provided by the auditor in connection with statutory and regulatory filings or engagements.
 - (2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of Sphere's financial statements and are not reported under audit fees.
 - (3) Tax fees consist of fees billed for professional services rendered for IRS Section 302 net operating loss limitation study.
 - (4) All other fees consist of fees for products and services other than the services reported above.

The Audit Committee has the authority to pre-approve all non-audit services to be provided to Sphere by its independent registered public accounting firm. All services provided by MaloneBailey, LLP during the years 2025 and 2024 were pre-approved by the Audit Committee.

Risk Factors

Whether or not the Arrangement is completed, Sphere will continue to face many risk factors that it currently faces with respect to its business and affairs. An investment in Sphere Shares or other securities of Sphere is subject to certain risk factors, which may differ or be in addition to the risks applicable to the business of Sphere. Investors should carefully consider the risk factors discussed in Item 1A of Sphere's 10-K for the fiscal year ended December 31, 2025, attached as Appendix "G" to this Information Circular and filed with the Canadian securities regulators and available under Sphere's profile on SEDAR+ at www.sedarplus.ca and filed with the SEC and available under Sphere's profile on EDGAR at www.sec.gov. The business of the Combined Company and the completion of the Arrangement is subject to a number of risks. In assessing the Transaction, Sphere Shareholders should carefully consider the risks described under "Risk Factors" in this Information Circular.

See "Particulars of Matters to be Acted Upon – The Arrangement – The Arrangement Agreement" in this Information Circular for a description of the foregoing agreement. A copy of the Arrangement Agreement is available on Sphere's SEDAR+ profile at www.sedarplus.ca.

Promoters

Within the two years immediately preceding the date of this Information Circular, no person served in the capacity or role as a promoter of Sphere.

Legal Proceedings and Regulatory Actions

Sphere is, from time to time, subject to claims and suits arising in the ordinary course of business. Sphere cannot predict the final outcome of such proceedings. Where appropriate, Sphere vigorously defends such claims, lawsuits and proceedings. Paid expenses related to the defense of such claims are recorded by Sphere as incurred and paid. On the basis of current information, Sphere does not believe there is a reasonable possibility that a material loss, if any, will result from any claims, lawsuits and proceedings to which Sphere is subject to either individually, or in the aggregate.

Interest of Management and Others in Material Transactions

Other than as disclosed in this Information Circular, none of the directors or executive officers of Sphere, nor any person or company that beneficially owns, controls, or directs, directly or indirectly, more than 10% of any class or series of outstanding voting securities of Sphere, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction within the three years before the date of the Information Circular that has materially affected or is reasonably expected to materially affect Sphere.

Auditor, Registrar and Transfer Agent

The auditor of Sphere is MaloneBailey, LLP with its office located at 10370 Richmond Avenue, Suite 600, Houston, TX 77042. MaloneBailey, LLP is independent of Sphere within the meaning of the Rules of Professional Conduct. MaloneBailey, LLP was first appointed as an independent auditor of Sphere in 2022.

The registrar and transfer agent for the Sphere Shares is TSX Trust Company at its principal office located in Toronto, Ontario, Canada.

Material Contracts

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which Sphere has entered into since the beginning of the last financial year before the date of this Information Circular, entered into prior to such date but which contract is still in effect, or to which Cathedra is or will become a party on or prior to the completion of the Transaction:

- the Arrangement Agreement;
- the ATM Agreement;
- the Inducement Agreement;
- the November 2025 Kalbfleisch Employment Agreement, as amended; and
- the Reppas Employment Agreement.

Experts and Interests of Experts

The following persons, firms and companies are named as having prepared or certified a statement, report, valuation or opinion described or included herein directly or in a document incorporated by reference herein and whose profession or business gives authority to the statement, report, valuation or opinion, in each case with respect to Sphere:

- MaloneBailey, LLP, the auditor of Sphere; and

- Rosenblatt Securities LLP, the financial advisor of Sphere.

To the knowledge of Sphere, as of the date of this Information Circular, designated professionals at each of MaloneBailey, LLP and Rosenblatt Securities LLP do not beneficially, directly or indirectly, own any of the outstanding classes of securities of Cathedra, Sphere or any associate or affiliate of Cathedra or Sphere, as applicable.

Financial Statement Disclosure

Audited consolidated financial information of Sphere is set forth in Appendix "G" to this Information Circular.

Pursuant to the Transaction, Sphere and Cathedra propose to combine their respective business. The unaudited *pro forma* consolidated financial information of the Combined Company is set forth in Appendix "I" to this Information Circular.

APPENDIX "G"
AUDITED CONSOLIDATED FINANCIAL INFORMATION OF SPHERE

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended **December 31, 2025**

☐ 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: **001-36532**

Sphere 3D Corp.

(Exact name of Registrant as specified in its charter)

Ontario, Canada

(Jurisdiction of incorporation or organization)

98-1220792

(IRS Employer Identification No.)

243 Tresser Blvd, 17th Floor

Stamford, CT 06901

(Address of principal executive offices)

(647) 952-5049

(Registrant's telephone, including area code)

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Shares	ANY	Nasdaq Capital Market

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or 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 ☐
Non-accelerated filer ☒

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 has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2025 was approximately \$16.0 million based on the closing price on The Nasdaq Capital Market reported for such date.

As of March 23, 2026, there were 3,767,086 shares of the registrant’s common shares outstanding.

SPHERE 3D CORP.

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This Annual Report on Form 10-K contains forward-looking information that involves risks and uncertainties. This forward-looking information includes, but is not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of Sphere 3D. This forward-looking information relates to, among other things, future business plans and business planning process, uses of cash, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. The words "could", "expects", "may", "will", "anticipates", "assumes", "intends", "plans", "believes", "estimates", "guidance", and similar expressions are intended to identify statements containing forward-looking information, although not all forward-looking statements include such words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although forward-looking statements in this Annual Report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include without limitation those discussed under the heading "Risk Factors" in *Part I, Item 1A*, below, as well as those discussed elsewhere in this Annual Report. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report. We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Annual Report. Readers are urged to carefully review and consider the various disclosures made in this Annual Report, which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects. References to "Notes" are to the notes included in our Notes to Consolidated Financial Statements.

Any reference to "Sphere 3D", "the Company", "we", "our", "us", or similar terms refers to Sphere 3D Corp. and its wholly owned subsidiaries. The information, including any financial information, disclosed in this Annual Report on Form 10-K (the "Annual Report") is stated as at December 31, 2025 or for the year ended December 31, 2025, as applicable, unless otherwise indicated. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollar and references to "\$" are to the lawful currency of the United States ("U.S.").

PART I

Item 1. Business

Overview

Sphere 3D was incorporated under the Business Corporations Act (Ontario) on May 2, 2007 as T.B. Mining Ventures Inc. On March 24, 2015, we completed a short-form amalgamation with a wholly-owned subsidiary. In connection with the short-form amalgamation, we changed our name to "Sphere 3D Corp." Any reference to the "Company", "Sphere 3D", "we", "our", "us", or similar terms refers to Sphere 3D Corp. and its subsidiaries. In January 2022, we commenced operations of our Bitcoin mining business and are dedicated to becoming a leader in the blockchain and cryptocurrency industry. We have established and continue to grow an enterprise-scale mining operation through the procurement of mining equipment and partnering with experienced service providers. In December 2023, we sold our service and product segment which focused on containerization and virtualization technologies along with data management products that enabled workload-optimized solutions. We plan to continue to focus on growing our Bitcoin mining operation.

On February 9, 2026, we filed an Articles of Amendment to effect a share consolidation (also known as a reverse stock split) of our issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. Our common shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026. All share and per share amounts have been restated for all periods presented to reflect the share consolidation.

Business Combination

On March 5, 2026, we and Cathedra Bitcoin Inc. (“Cathedra”), entered into a definitive agreement to combine the two companies, in an all-stock transaction, to create a high density computing power infrastructure company focused on high-performance compute, digital assets, energy optimization, and development of power and infrastructure. The strategic combination is anticipated to enable near-term vertical integration, positioning the new entity to accelerate scalable, high-efficiency deployment across North America by leveraging a focus on low-cost power, and operational efficiency. Under the terms of the definitive arrangement agreement, entered into on March 5, 2026 (the “Arrangement Agreement”), we have agreed to acquire all of the issued and outstanding shares of Cathedra (the “Transaction”), subject to customary closing conditions, including regulatory, court, and shareholder approvals, such that upon consummation of the Transaction, Cathedra will be a wholly-owned subsidiary of the Company. If the Arrangement Agreement is terminated in certain specified circumstances, we or Cathedra would be required to pay the other party a termination fee of \$0.5 million.

Bitcoin and Blockchain

Bitcoin is a decentralized digital currency that operates on a peer-to-peer network, allowing users to send and receive payments without relying on banks or central authorities. It runs on a public blockchain, a distributed ledger where all transactions are recorded and secured through cryptographic verification. Within the Bitcoin ecosystem, there are three key participants: users, miners, and nodes. Users are individuals or businesses that send, receive, or store Bitcoin, typically using wallets. Miners are participants who use computational power to solve complex mathematical puzzles, validating transactions and adding them to the blockchain in exchange for newly minted Bitcoin and transaction fees as a reward for their work. Nodes are computers that maintain a full copy of the blockchain and help verify transactions, ensuring the network remains secure and decentralized. Together, these participants enable Bitcoin to function as a trustless, borderless, and censorship-resistant financial system.

In the Bitcoin network, transactions must be validated before they are added to the blockchain. When a user initiates a transaction, it is broadcast to the network and enters the mempool, where it awaits confirmation. Full nodes verify the transaction by checking the sender’s balance and digital signature against the blockchain’s history. Once verified, miners compete to include the transaction in a new block through a process called Proof of Work, where they solve a complex cryptographic puzzle to find a valid hash that meets the network’s difficulty requirements. The first miner to solve the puzzle broadcasts the new block to the network, and if other nodes verify its validity, it is permanently added to the blockchain. As a reward for securing the network, the winning miner receives a block reward, which consists of newly minted Bitcoin, currently 3.125 BTC, along with transaction fees paid by users. Over time, as the block reward continues to halve approximately every four years, transaction fees will become an increasingly important incentive for miners to continue securing the network. This system ensures Bitcoin remains decentralized, secure, and resistant to inflation.

Bitcoin Mining

We obtain Bitcoin as a result of our mining operations, and when necessary, we sell Bitcoin to support our operations and strategic growth. We mine Bitcoin in states which do not have any material state-specific regulatory restrictions on the mining of Bitcoin. However, it is possible that these states or other states in which we may seek to operate may create laws that would impede Bitcoin mining. We do not currently plan to engage in regular trading of Bitcoin other than sales to convert our Bitcoin into U.S. dollars. Decisions to hold or sell our Bitcoin is currently determined by management by analyzing forecasts and monitoring the market in real time. We have a hybrid treasury strategy to hold Bitcoin when possible and sell to fund working capital requirements.

A key component of the Bitcoin mining business segment is to acquire highly specialized computer servers (known in the industry as “miners”), which operate application-specific integrated circuit (“ASIC”) chips designed specifically to mine Bitcoin, and deploy such miners at-scale utilizing our hosting agreements. ASIC miners are the most effective and energy-efficient machines available today, and we believe deploying them at-scale, will enable us to continue growing our hashrate and optimize the output and longevity of our miners as they are deployed.

Our Bitcoin mining operation is focused on maximizing our ability to successfully mine Bitcoin by growing our hashrate (the amount of computer power we devote to supporting the Bitcoin blockchain), to increase our chances of successfully creating new blocks on the Bitcoin blockchain (a process known as “proof of work”). Generally, the greater share of the Bitcoin blockchain’s total network hashrate (the aggregate hashrate deployed to solving a block on the Bitcoin blockchain) a miner’s hashrate represents, the greater that miner’s chances of solving a block and, therefore, earning the block reward. As the proliferation of Bitcoin continues and the market price for Bitcoin increases, we expect additional miner operators to enter the market in response to an increased demand for Bitcoin which we anticipate to follow increased Bitcoin prices. As these new miner operators enter the market and as increasingly powerful miners are deployed in an attempt to solve a block, the Bitcoin blockchain’s network hashrate grows, meaning an existing miner must increase its hashrate at pace commensurate with the growth of network hashrate to maintain its relative chance of solving a block and earning a block reward. As we expect this trend to continue, we will need to continue growing our hashrate to compete in our dynamic and highly competitive industry.

As of December 31, 2025, we owned approximately 12,600 miners, of which approximately 4,200 were in service and have a total hashrate capacity of 0.73 exahash per second (“EH/s”). We are strategizing for our future growth by refreshing a significant portion of our fleet with newer-generation machines to bolster efficiency. Beginning March 2025, we have a self-owned 8 megawatt (“MW”) facility in Iowa (“Iowa Site”). As of February 2026, with the sale of approximately 7,700 older generation miners not in service for 437 newer generation miners, we have approximately 5,300 miners and our refresh of our miner fleet is substantially complete. Vertically integrating with self-owned facilities, such as our Iowa Site, allows us to reduce our reliance on third-party hosting sites and decrease our overall cost to mine a Bitcoin. As a result of our strategic changes, during the latter part of 2024 and ongoing, mining production has decreased as we focused on our long-term strategic goals of transitioning to lower-cost hosting sites, vertically integrating to own our own site, and refreshing our fleet with newer-generation machines.

In 2025, we mined 111.6 Bitcoin, which represented a decrease of 61.0% over the 286.3 Bitcoin we mined in 2024. The decrease was primarily due to the April 2024 halving event, our transition to lower-cost hosting sites, and refreshing our fleet with newer-generation machines. Based on our existing operations and expected deployment of miners we have purchased, we anticipate continuing to increase exahash throughout 2026. We do not have scheduled downtime for our miners. We periodically perform both scheduled and unscheduled maintenance on our miners. Depending on the type of repair, the miner may run at a reduced speed or be taken offline. We use software programs to monitor the performance of our machines. The miners owned as of December 31, 2025 have an average efficiency (joules per terahash – “J/th”) of 22.0 J/th compared to an average efficiency of 27.1 J/th in 2024. We expect efficiency to improve in 2026 to approximately 19.0 J/th. The miner efficiency is an indication of how efficiently we can earn Bitcoin and minimize cost to run the miner. Currently, we intend only to mine Bitcoin and we hold no other cryptocurrency other than Bitcoin. We do not have any power purchase agreements for the supply of power.

As of December 31, 2025, we held approximately 37.3 Bitcoin with a fair value of approximately \$3.3 million included on our consolidated balance sheet.

Mining Pools

A mining pool is a service operated by a mining pool operator that pools the resources of individual miners to share their processing power over a network. Mining pools emerged in response to the growing difficulty and network hash rate competing for Bitcoin rewards on the Bitcoin blockchain as a way of lowering costs and reducing the risk of an individual miner’s mining activities. The mining pool operator coordinates the computing power of the independent mining enterprises participating in the mining pool. Mining pools are subject to various risks such as disruption and down time. In the event that a pool we utilize experiences down time or is not yielding returns, our results may be impacted.

We are engaged with a Bitcoin mining pool operator as our customer, to provide a service to perform hash calculations for the mining pool operator, which is our only performance obligation. Providing hash calculation services is an output of our ordinary activities. We have a service agreement with Foundry Digital LLC, a mining pool operator, to provide a service to perform hash calculations. In exchange for providing the service, we are entitled to Full Pay Per Share (“FPPS”), which is a fractional share of the fixed Bitcoin award the mining pool operator receives, plus a fractional share of the transaction fees attached to that blockchain less net Bitcoin fees due to the mining pool operator over the measurement period, as applicable. The pay-outs received are based on the expected value from the block reward plus the transaction fee reward, regardless of whether the mining pool operator successfully records a block to the blockchain. In 2024 we also had a service agreement with an additional mining pool operator, Luxor Technology Corporation.

Our fractional share is based on a contractual formula, which primarily calculates the hashrate provided to the mining pool as a percentage of total network hashrate and other inputs. The contracts, which are less than 24 hours and continuously renew throughout the day, are terminable at any time by either party without compensation and our enforceable right to compensation only begins when we start providing the service to the mining pool operator, which begins daily at midnight Universal Time Coordinated (“UTC”). The terms, conditions, and compensation are at the current market rates, and accordingly the renewal option is not a material right. The contract arises at the point that we provide hash calculation services to the mining pool operator, which is the beginning of the contract day at midnight UTC time (contract inception), as customer consumption is in tandem with daily earnings of delivery of the service. According to the customer contract, daily earnings are calculated from midnight-to-23:59:59 UTC time, and the payout is made one hour later at 1:00 AM UTC time.

Hosting Agreements

On November 1, 2025, we entered into a Hosting Agreement with North Campbell HostCo LLC (the “Campbell Hosting Agreement”), for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of our mining equipment. The Campbell Hosting Agreement has an initial term of 12 months and can be terminated based on certain defaults defined in such agreements.

On April 19, 2024, we entered into a Master Hosting Agreement with Simple Mining LLC (“Simple Mining”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of our mining equipment. On September 25, 2024, we entered into Amendment No. 2 to the Master Hosting Agreement (“Simple Mining Hosting”) for certain of our mining machines to be hosted at Simple Mining’s facility in Iowa. The Simple Mining Hosting agreement has a term of two years and can be terminated by us with 30 days advance notice. On September 25, 2024, we entered into Amendment No. 3 to the Master Hosting Agreement (“Simple Mining XP Hosting”) for certain mining machines to be racked at Simple Mining’s facility in Iowa until our Iowa Site was completed. The Simple Mining XP Hosting agreement can be terminated by us with 30 days advance notice. In November 2025, the Simple Mining Hosting and Simple Mining XP Hosting agreements were mutually terminated.

On October 18, 2023, we entered into a Hosting Agreement with Joshi Petroleum, LLC (the “Joshi Hosting Agreement”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of our mining equipment. The Joshi Hosting Agreement has an initial term of three years with subsequent one year renewal periods until either party provides written notice to the other party of its desire to avoid and given renewal term at least 30 days in advance of the conclusion of the prior initial term or renewal period. Effective January 2, 2026, the Joshi Hosting Agreement was assigned to Evolution Technology LLC.

On April 4, 2023, we entered into a Master Hosting Services Agreement with Rebel Mining Company, LLC (the “Rebel Hosting Agreement”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of our mining equipment. The Rebel Hosting Agreement had a term of three years with subsequent one year renewal periods. During the year ended December 31, 2024, we recorded a \$0.9 million impairment to prepaid service fees held by Rebel Mining Company and is included in impairment of other assets on the consolidated statement of operations. On January 16, 2025, we terminated the Rebel Hosting Agreement and agreed to a settlement amount of \$2.4 million payable to us in satisfaction of all obligations of the Rebel Hosting Agreement and it constitutes a final settlement of all amounts owed by either party of the Rebel Hosting Agreement. For the year ended December 31, 2025, we recorded a \$0.3 million impairment for the portion of the settlement that was not received by us and is in default.

Management Agreement

In March 2025, we entered into a management services agreement with Simple Mining LLC (“Simple Mining”) to manage our Iowa Site for a term of 12 months, with automatic renewals for subsequent terms of 12 months unless terminated by either party with written notice 30 days prior to the expiration of the then current term.

At-the-Market Offering Program

On January 3, 2025, we entered into a sales agreement (the “AGP Agreement”) with A.G.P./Alliance Global Partners (the “Sales Agent”). In accordance with the terms of the AGP Agreement, the Company may offer and sell from time to time through or to the Sales Agent, as agent or principal, the Company's common shares having an aggregate offering price of up to \$8.0 million (the “Placement Shares”). The AGP Agreement can be terminated by either party by giving two days written notice.

Neither us nor the Sales Agent are obligated to sell any Placement Shares pursuant to the AGP Agreement. Subject to the terms and conditions of the AGP Agreement, the Sales Agent will use commercially reasonable efforts, consistent with its normal trading and sales practices and applicable state and federal law, rules and regulations and the rules of The Nasdaq Capital Market (“Nasdaq”), to sell the Placement Shares from time to time based upon our instructions, including any price, time or size limits or other customary parameters or conditions we may impose. Sales of the Placement Shares, if any, will be made on Nasdaq at market prices by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended.

Environmental Issues

At our Iowa Site, we purchase electricity from the electrical grid. No significant pollution or other types of hazardous emissions result from our direct operations, and it is not anticipated that our operations will be materially affected by federal, state or local provisions concerning environmental controls. Our costs of complying with environmental, health and safety requirements have not historically been material.

Some local, state and federal policymakers have expressed concerns over the energy consumption of data centers, including those supporting bitcoin mining, HPC, AI workloads, and the ancillary effects on the environment from that energy consumption. These concerns generally relate to grid reliability. We carefully monitor existing and pending climate change legislation, regulation and international treaties or accords for any material effect on our business or markets that we serve, our operational results, our capital expenditures or our financial position.

Intellectual Property

We actively use specific hardware and software for our Bitcoin mining operations. We do not currently own, and do not have any current plans to seek, any patents in connection with our Bitcoin mining operations.

Competitive Conditions

Our business is highly competitive and operates 24 hours a day, seven days a week. The primary drivers of competition are demand for Bitcoin and the ability to execute miner deployments to generate the highest returns while incurring the lowest costs to mine, thereby achieving maximum efficiency.

Our competition in the Bitcoin mining space fluctuates due to a number of factors, including, but not limited to, the value of Bitcoin rewards for mining, the amount of network hashrate, and the price of Bitcoin. We anticipate that over the long-term there will be a significant increase in the number of Bitcoin miners attempting to enter into, and expand, their Bitcoin mining activities. Our main competitors generally include other Bitcoin mining companies, both publicly listed and private. As more Bitcoin miners enter the mining industry, we expect additional pressure on the industry, with greater competition for access to mining rewards, competition for power and high-quality industrial scale mining infrastructure which is in limited supply.

We rely on both owned mining facilities and hosting arrangements to conduct our business, and the availability and stability of these arrangements remain uncertain and highly competitive. Hosting arrangements, in particular, may be affected by changes in regulations across different countries, while owned facilities present additional risks, including operational challenges, infrastructure maintenance, and energy costs. Significant competition for suitable mining data centers is expected to persist, and government regulations—such as local permitting requirements—could further restrict the ability of both hosted and owned mining operations to begin or continue operating in certain locations. These factors could impact our ability to secure adequate infrastructure to support some of our hashrate and maintain profitable mining operations.

For a more detailed description of competitive and other risks related to our business, see *Item 1A. Risk Factors*.

Protection of Bitcoin Assets

Our share of Bitcoin mined from our pool is initially received by us in wallets we control, which are maintained by BitGo Trust Company, Inc. (“BitGo”), a U.S.-based digital assets exchange. We hold our Bitcoin in cold storage. Bitcoin held in cold storage is reconciled monthly and associated with unique blockchain addresses, with their activity recorded on the blockchain. For security reasons, BitGo does not disclose the geographic location of its cold storage wallets to its customers. Our custody agreement with BitGo provides that BitGo will obtain and maintain at its sole expense insurance coverage in such types and amounts as are commercially reasonable for the custodial services provided under the custody agreement. We do not carry additional insurance coverage on our bitcoin holdings. Further, we are not aware of any insurance providers or other third parties having inspection or other verification rights associated with digital assets held in storage.

Bitcoin we mine or hold for our own account may be subject to loss, theft or restriction on access. Hackers or malicious actors may launch attacks to steal, compromise or secure bitcoins, such as by attacking the bitcoin network source code, exchanges, miners, third-party platforms (including BitGo), cold and hot storage locations or software, or by other means. We may be in control and possession of substantial holdings of Bitcoin, and as we increase in size, we may become a more appealing target of hackers, malware, cyberattacks or other security threats. See Part I, Item 1C. “Cybersecurity” of this Annual Report on Form 10-K.

Industry Trends

Bitcoin market prices have historically been volatile, and fluctuations in Bitcoin prices continue to materially influence the economics of Bitcoin mining and the availability of capital within the industry. Periods of elevated Bitcoin prices have historically enabled mining companies, including publicly traded operators, to access equity and debt capital markets to fund infrastructure expansion, equipment purchases, and operational growth. These capital inflows, together with continued improvements in mining hardware efficiency, have contributed to sustained increases in global network hashrate. As network hashrate has grown, mining difficulty has increased accordingly, resulting in greater competition among miners and increasing the importance of operational efficiency, access to low-cost and reliable energy sources, and prudent capital management. Competitive pressures are expected to persist, particularly during periods in which higher Bitcoin prices incentivize additional network participation.

In addition to changes in Bitcoin prices, miner revenues are influenced by the composition of block rewards, which consist of both the fixed block subsidy and transaction fees paid by network users. Transaction fee levels have historically been volatile and are largely dependent on overall network usage and demand for block space. Increased adoption of Bitcoin and evolving on-chain activity have periodically resulted in higher transaction fees, which are paid directly to miners and supplement the block subsidy earned upon successfully validating a block. Following the April 2024 halving event, which reduced the block subsidy to 3.125 BTC per block, transaction fees may represent a more meaningful component of total miner revenue over time; however, the magnitude and consistency of such fees remain uncertain and may fluctuate significantly.

The Bitcoin mining industry has also continued to evolve structurally, with many operators increasingly emphasizing the value of their underlying power infrastructure and data center capabilities. Access to scalable energy capacity has become a primary competitive differentiator, and certain mining companies have begun exploring or implementing diversification strategies, including high-performance computing, artificial intelligence, and data center hosting applications that leverage existing infrastructure. While these initiatives may provide opportunities to diversify revenue streams and improve asset utilization, they also introduce additional operational, capital, and market risks. As a result, the Bitcoin mining industry is increasingly characterized as a capital-intensive digital infrastructure sector operating at the intersection of energy markets, data center development, and digital asset production.

Governmental Regulations

We operate in a complex and rapidly evolving regulatory environment and are subject to a wide range of laws and regulations enacted by U.S. federal, state and local governments, governmental agencies and regulatory authorities, including the SEC, the Federal Trade Commission and the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, as well as similar entities in other countries. Other regulatory bodies, governmental or semi-governmental, have shown an interest in regulating or investigating companies engaged in the blockchain or cryptocurrency businesses.

Regulations may substantially change in the future and it is presently not possible to know how those regulations will apply to our businesses, or when they will be effective. As the regulatory and legal environment evolves, we may become subject to new laws and further regulation by the SEC and other agencies, which may affect our mining and other activities. For instance, various bills have been proposed in the U.S. Congress related to our business, which may be adopted and have an impact on us. Additionally, governmental agencies and regulatory authorities, such as the SEC, the Federal Trade Commission and the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, may also enact further regulations related to our business, which may have an impact on us. For additional discussion regarding our belief about the potential risks existing and future regulation pose to our business, see *Item 1A. Risk Factors—Risks Related to Our Business*.

Employees

As of December 31, 2025, we had four employees, two of which were full time.

Item 1A. Risk Factors

An investment in our Company involves a high degree of risk. Each of the following risk factors in evaluating our business and prospects as well as an investment in our Company should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the following risks occur, our business and financial results could be harmed and the trading price of our common shares could decline.

Risks Related to Our Business

Our total revenue is substantially dependent on the price of Bitcoin and volume of Bitcoin transactions. If such price or volume declines, our business, operating results, and financial condition would be adversely affected.

We generate all of our revenue from Bitcoin mining. As such, any declines in the volume of Bitcoin transactions, the price of Bitcoin, or market liquidity for Bitcoin generally may result in lower total revenue. The price of Bitcoin and associated demand for buying, selling, and trading Bitcoin have historically been subject to significant volatility. The price and trading volume of Bitcoin is subject to significant uncertainty and volatility, depending on a number of factors, including:

- market conditions of, and overall sentiment towards, Bitcoin;
- changes in liquidity, market-making volume, and trading activities;
- trading activities on other cryptocurrency trading platforms worldwide, many of which may be unregulated, and may include manipulative activities;
- investment and trading activities of highly active retail and institutional users, speculators, miners, and investors;

- the speed and rate at which Bitcoin is able to gain adoption as a medium of exchange, utility, store of value, consumptive asset, security instrument, or other financial assets worldwide, if at all;
- decreased investor confidence in Bitcoin and cryptocurrency trading platforms;
- negative media publicity and events relating to the cryptocurrency economy;
- unpredictable social media coverage or “trending” of, or other rumors and market speculation regarding Bitcoin;
- the ability for cryptocurrency to meet user and investor demands;
- the functionality and utility of Bitcoin and its associated ecosystems and networks;
- increased competition from other payment services or other cryptocurrency that exhibit better speed, security, scalability, or other characteristics;
- regulatory or legislative changes and updates affecting the cryptocurrency economy;
- the maintenance, troubleshooting, and development of the blockchain networks underlying assets, including by miners, validators, and developers worldwide;
- the ability for cryptocurrency networks to attract and retain miners or validators to secure and confirm transactions accurately and efficiently;
- ongoing technological viability and security of cryptocurrency and their associated smart contracts, applications and networks, including vulnerabilities against hacks and scalability;
- fees and speed associated with processing Bitcoin transactions, including on the underlying blockchain networks and on cryptocurrency trading platforms;
- financial strength of market participants;
- the availability and cost of funding and capital;
- the liquidity of cryptocurrency trading platforms;
- interruptions in service from or failures of major cryptocurrency trading platforms;
- availability of an active derivatives market for Bitcoin;
- availability of banking and payment services to support cryptocurrency-related projects;
- level of interest rates and inflation; and
- environmental, social, and governance (ESG) concerns about power and water consumption.

There is no assurance that Bitcoin will maintain its value or that there will be meaningful levels of trading activities. In the event that the price of Bitcoin or the demand for trading Bitcoin declines, our business, operating results, and financial condition would be adversely affected.

Our operating results have and will significantly fluctuate due to the highly volatile nature of Bitcoin.

Our operating results are dependent on Bitcoin and the broader cryptocurrency economy. Due to the highly volatile nature of the cryptocurrency economy and the prices of Bitcoin, our operating results have fluctuated, and will continue to fluctuate from quarter to quarter in accordance with market sentiments and movements in the broader cryptocurrency economy. Our operating results will continue to fluctuate significantly as a result of a variety of factors, many of which are unpredictable and in certain instances are outside of our control, including:

- our dependence on offerings that are dependent on Bitcoin trading activity, including trading volume and the prevailing trading prices for Bitcoin, whose trading prices and volume can be highly volatile;
- market conditions of, and overall sentiment towards, the cryptocurrency economy; and
- system failure, outages, or interruptions, including with respect to third-party cryptocurrency trading platforms.

As a result of these factors, it is challenging for us to forecast growth trends accurately and our business and future prospects are difficult to evaluate, particularly in the short term. Further, any decrease in the price of Bitcoin creates a risk of increased losses or impairments. In view of the rapidly evolving nature of our business and the cryptocurrency economy, period-to-period comparisons of our operating results may not be meaningful, and you should not rely upon them as an indication of future performance. Quarterly and annual expenses reflected in our financial statements may be significantly different from historical or projected rates. Our operating results in one or more future quarters may fall below the expectations of securities analysts and investors. As a result, the trading price of our common shares may increase or decrease significantly.

Significant disruption in the cryptocurrency market may harm our reputation.

The price of Bitcoin has increased and decreased significantly during recent periods, and various Bitcoin related companies filed for bankruptcy or otherwise restructured. Due to these disruptions in the cryptocurrency market, among others, our customers, suppliers and other business partners may deem our business to be risky and lose confidence to enter into business transactions with us on terms that we deem acceptable. For example, our suppliers may require higher deposits or advance payments from us. In addition, new regulations may subject us to investigation, administrative or regulatory proceedings, and civil or criminal litigation, all of which could harm our reputation and negatively affect our business operation and the value of our common shares. As of the date of this annual report, we do not believe that our operations or financial conditions associated have been materially impacted by any reputational harm that we may face in light of the recent disruption in the cryptocurrency market. However, there is no guarantee that such disruption or any reputational harm resulting therefrom will not have a material adverse effect on our business, financial condition and results of operations in the future.

The future development and growth of cryptocurrency is subject to a variety of factors that are difficult to predict and evaluate. If cryptocurrency does not grow as we expect, our business, operating results, and financial condition could be adversely affected.

Cryptocurrency built on blockchain technology were only introduced in 2008. Cryptocurrency is designed for different purposes. Bitcoin, for instance, was designed to serve as a peer-to-peer electronic cash system, while Ethereum was designed to be a smart contract and decentralized application platform. Many other cryptocurrency networks, ranging from cloud computing to tokenized securities networks, have only recently been established. The further growth and development of any cryptocurrency and their underlying networks and other cryptographic and algorithmic protocols governing the creation, transfer, and usage of cryptocurrency represents a new and evolving paradigm that is subject to a variety of factors that are difficult to evaluate, including:

- many cryptocurrency networks have limited operating histories, have not been validated in production, and are still in the process of developing and making significant decisions that will affect the design, supply, issuance, functionality, and governance of their respective cryptocurrency and underlying blockchain networks, any of which could adversely affect their respective cryptocurrency;
- many cryptocurrency networks are in the process of implementing software upgrades and other changes to their protocols, which could introduce bugs, security risks, or adversely affect the respective cryptocurrency networks;
- security issues, bugs, and software errors have been identified with many cryptocurrencies and their underlying blockchain networks, some of which have been exploited by malicious actors. There are also inherent security weaknesses in some cryptocurrencies, such as when creators of certain cryptocurrency networks use procedures that could allow hackers to counterfeit tokens. Any weaknesses identified with cryptocurrency could adversely affect its price, security, liquidity, and adoption. If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the compute or staking power on a cryptocurrency network, as has happened in the past, it may be able to manipulate transactions, which could cause financial losses to holders, damage the network's reputation and security, and adversely affect its value;
- if rewards and transaction fees for miners or validators on any particular cryptocurrency network are not sufficiently high to attract and retain miners, a cryptocurrency network's security and speed may be adversely affected, increasing the likelihood of a malicious attack; and

- many cryptocurrency networks are in the early stages of developing partnerships and collaborations, all of which may not succeed and adversely affect the usability and adoption of the respective cryptocurrency.

Various other technical issues have also been uncovered from time to time that resulted in disabled functionalities, exposure of certain users' personal information, theft of users' assets, and other negative consequences, and which required resolution with the attention and efforts of their global miner, user, and development communities. If any such risks or other risks materialize, and in particular if they are not resolved, the development and growth of cryptocurrency may be significantly affected and, as a result, our business, operating results, and financial condition could be adversely affected.

Changing environmental regulation and public energy policy may expose our business to new risks.

Bitcoin mining operations require a substantial amount of power and can only be successful, and ultimately profitable, if the costs we incur, including for electricity, are lower than the revenue we generate from our operations. As a result, any mine we establish can only be successful if we can obtain sufficient electrical power for such mine on a cost-effective basis, and our establishment of new mines requires us to find locations where that is the case. For instance, our plans and strategic initiatives for expansion are based, in part, on our understanding of current environmental and energy regulations, policies, and initiatives enacted by regulators, and any such regulations that may be adopted in the future. Although we are not currently subject to environmental and energy regulations, policies or initiatives related to our Bitcoin mining operations in Missouri, Texas and Iowa, the states in which we mine Bitcoin, if new regulations in these jurisdictions are imposed, or if we begin mining Bitcoin in other jurisdictions that have such regulations, policies or initiatives, the assumptions we made underlying our plans and strategic initiatives may be inaccurate, and we may incur additional costs to adapt our planned business, if we are able to adapt at all, to such regulations.

There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty for our business because the Bitcoin mining industry, with its high energy demand, may become a target for future environmental and energy regulation. New legislation and increased regulation regarding climate change could impose significant costs on us and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs to comply with such regulations. Further, any future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. One such example is the recently passed legislation in the state of New York imposing a two-year moratorium on certain Bitcoin mining operations that run carbon-based power.

Given the political significance and uncertainty around the impact of climate change and how it should be addressed, we cannot predict how legislation and regulation will affect our financial condition and results of operations. Further, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. Any of the foregoing could result in a material adverse effect on our business and financial condition.

Bitcoin mining activities are energy-intensive, which may restrict the geographic locations of miners and have a negative environmental impact. Government regulators may potentially restrict the ability of electricity suppliers to provide electricity to mining operations, such as ours, or even fully or partially ban mining operations.

Mining Bitcoin requires large amounts of electrical power, and electricity costs are expected to account for a significant portion of our overall costs. The availability and cost of electricity may restrict the geographic locations of our mining activities. Any shortage of electricity supply or increase in electricity costs in any location where we plan to operate may negatively impact the viability and the expected economic return for Bitcoin mining activities in that location and may negatively impact our business model. While the increase in cost of power is mitigated by our fixed price contracts, we are unable to control power outages due to factors such as inclement weather or state requests to curtail our use of power may impact our gross profit. Although we do not have any power purchase contracts directly with any utilities, we have been advised by our hosting partners that they have such contracts. In most cases we have a fixed cost of power built into our contracts with our hosting partners.

Further, our business model can only be successful and our mining operations can only be profitable if the costs, including electrical power costs, associated with Bitcoin mining are lower than the price of Bitcoin itself. As a result, any mining operation we establish can only be successful if we can obtain sufficient electrical power for that site on a cost-effective basis, and our establishment of new mining data centers requires us to find sites where that is the case. Even if our electrical power costs do not increase, significant fluctuations in, and any prolonged periods of, low Bitcoin prices will decrease our gross profit and may also cause our electrical supply to no longer be cost-effective.

Furthermore, there may be significant competition for suitable cryptocurrency mining sites, and government regulators, including local permitting officials, may potentially restrict our ability to set up cryptocurrency mining operations in certain locations. They can also restrict the ability of electricity suppliers to provide electricity to mining operations in times of electricity shortage, or may otherwise potentially restrict or prohibit the provision of electricity to mining operations. In addition, if cryptocurrency mining becomes more widespread, government scrutiny related to restrictions on cryptocurrency mining facilities and their energy consumption may significantly increase. The considerable consumption of electricity by mining operators may also have a negative environmental impact, including contribution to climate change, which could set the public opinion against allowing the use of electricity for Bitcoin mining activities or create a negative consumer sentiment and perception of Bitcoin. This, in turn, could lead to governmental measures restricting or prohibiting cryptocurrency mining or the use of electricity for Bitcoin mining activities. Any such development in the jurisdictions where we plan to operate could increase our compliance burdens and have a material adverse effect on our business, prospects, financial condition, and operating results. Government regulators in other countries may also ban or substantially limit their local cryptocurrency mining activities, which could have a material effect on our supply chains for mining equipment or services and the price of Bitcoin. It could also increase our domestic competition as some of those cryptocurrency miners or new entrants in this market may consider moving their cryptocurrency mining operations or establishing new operations in the United States.

Additionally, our mining operations could be materially adversely affected by power outages and similar disruptions. Given the power requirements for our mining equipment, it would not be feasible to run this equipment on back-up power generators in the event of a government restriction on electricity or a power outage. If we are unable to receive adequate power supply and are forced to reduce our operations due to the availability or cost of electrical power, it would have a material adverse effect on our business, prospects, financial condition, and operating results.

Concerns about greenhouse gas emissions and global climate change may result in environmental taxes, charges, assessments, penalties or litigation, and could have a material adverse effect on our business, financial condition and results of operations.

The effects of human activity on global climate change have attracted considerable public and scientific attention, as well as the attention of the United States and other governments. Efforts are being made to reduce greenhouse gas emissions, particularly those from coal combustion power plants, upon which some of our hosting facility suppliers may rely for power. The added cost of any environmental taxes, charges, assessments or penalties levied on such power plants, or the cost of litigation filed against such power plants, could be passed on to us. Any enactment of laws or promulgation of regulations regarding greenhouse gas emissions by the United States, or any domestic or foreign jurisdiction in which we conduct business, could have a material adverse effect on our business, financial condition, or results of operations. In addition, as a result of negative publicity regarding environmental concerns associated with Bitcoin mining, some companies have ceased accepting Bitcoin for certain types of purchases, and additional companies may do so in the future, which may have a material adverse effect on our business, financial condition or results of operations.

We rely on hosting arrangements to conduct our business, and the availability of such hosting arrangements is uncertain and competitive and may be affected by changes in regulation in one or more countries.

If we are unable to successfully enter into definitive hosting agreements with mining data centers on favorable terms or those counterparties fail to perform their obligations under such agreements, we may be forced to seek alternative mining data centers to host its mining equipment.

Significant competition for suitable mining data centers is expected to continue, and other government regulators, including local permitting officials, may potentially restrict the ability of potential mining data centers to begin or continue operations in certain locations. They can also restrict the ability of electricity suppliers to provide electricity to mining operations in times of electricity shortage, or may otherwise potentially restrict or prohibit the provision of electricity to mining operations.

We face risks of downtime at hosting sites due to excessive weather or heat, which could have an adverse effect on the mining of Bitcoin and impact our revenues.

A disruption at hosting sites may affect the mining of Bitcoin. Generally, Bitcoin and our business of mining Bitcoin is dependent upon consistent operations at hosting sites. A significant disruption in a hosting site's ability to function due to adverse weather could disrupt mining operations until the disruption is resolved and have an adverse effect on our ability to mine Bitcoin, impacting our revenues.

We may be affected by price fluctuations in the wholesale and retail power markets.

Market prices for power, generation capacity and ancillary services, are unpredictable. Depending upon the effectiveness of any price risk management activity undertaken by us, including but not limited to attempts to secure hosting services contracts at fixed fees, an increase in market prices for power, generation capacity, and ancillary services may adversely affect our business, prospects, financial condition, and operating results. Long- and short-term power prices may fluctuate substantially due to a variety of factors outside of our control, including, but not limited to:

- increases and decreases in generation capacity;
- changes in power transmission or fuel transportation capacity constraints or inefficiencies;
- demand response/mandatory curtailments;
- volatile weather conditions, particularly unusually hot or mild summers or unusually cold or warm winters;
- technological shifts resulting in changes in the demand for power or in patterns of power usage, including the potential development of demand-side management tools, expansion and technological advancements in power storage capability and the development of new fuels or new technologies for the production or storage of power;
- federal and state power, market and environmental regulation and legislation; and
- changes in capacity prices and capacity markets.

If we are unable to secure consistent power supply at prices or on terms acceptable to it, it would have a material adverse effect on our business, prospects, financial condition, and operating results.

As cryptocurrency may be determined to be investment securities, we may inadvertently violate the Investment Company Act of 1940 and incur large losses and third party liabilities as a result and potentially be required to register as an investment company or terminate operations.

We believe that we are not engaged in the business of investing, reinvesting, or trading in securities, and we do not hold ourselves out as being engaged in those activities. However, under the Investment Company Act of 1940 (the "Investment Company Act"), a company may be deemed an investment company under section 3(a)(1)(C) thereof if the value of its investment securities is more than 40% of its total assets (exclusive of government securities and cash items) on an unconsolidated basis.

As a result of our investments and our mining activities, the investment securities we hold could exceed 40% of our total assets, exclusive of cash items and, accordingly, we could determine that we have become an inadvertent investment company. The cryptocurrency that we own, acquire or mine may be deemed an investment security by the SEC, and although we do not believe any of the cryptocurrency we own, acquire or mine are securities, any determination we make regarding whether cryptocurrency is a security is a risk-based assessment, not a legal standard binding on a regulatory body or court, and does not preclude legal or regulatory action. In general, novel or unique assets such as Bitcoin may be classified as securities if they meet the definition of investment contracts under U.S. law. In recent years, the offer and sale of cryptocurrency other than Bitcoin, most notably Kik Interactive Inc.'s Kin tokens and Telegram Group Inc.'s TON tokens, have been deemed to be investment contracts by the SEC. The SEC has also sued Genesis Global Capital LLC and Gemini Trust Company LLC over their crypto-lending program that allegedly violated

investor-protection laws. Therefore, we cannot provide any assurances that Bitcoin we mine or otherwise acquire or hold for our own account will never be classified as a security under U.S. law. If Bitcoin were to be classified as a security under U.S. law, we would be obligated to comply with certain requirements by the SEC, which would cause us to incur significant, non-recurring expenses which would materially and adversely impact our business, prospects, financial condition, and operating results.

An inadvertent investment company can avoid being classified as an investment company if it can rely on one of the exclusions under the Investment Company Act. One such exclusion, Rule 3a-2 under the Investment Company Act, allows an inadvertent investment company a grace period of one year from the earlier of (a) the date on which an issuer owns securities and/or cash having a value exceeding 50% of the issuer's total assets on either a consolidated or unconsolidated basis and (b) the date on which an issuer owns or proposes to acquire investment securities having a value exceeding 40% of the value of such issuer's total assets (exclusive of government securities and cash items) on an unconsolidated basis. As of the date of this report, we do not believe we are an inadvertent investment company. We may take actions to cause the investment securities held by us to be less than 40% of our total assets, which may include acquiring assets with our cash and Bitcoin on hand or liquidating our equity investment securities or B or seeking a no-action letter from the SEC if we are unable to acquire sufficient assets or liquidate sufficient investment securities in a timely manner.

As the Rule 3a-2 exception is available to a company no more than once every three years, and assuming no other exclusion were available to us, we would have to keep within the 40% limit for at least three years after we cease being an inadvertent investment company. This may limit our ability to make certain investments or enter into joint ventures that could otherwise have a positive impact on our earnings. In any event, we do not intend to become an investment company engaged in the business of investing and trading securities.

Classification as an investment company under the Investment Company Act requires registration with the SEC. If an investment company fails to register, it would have to stop doing almost all business, and its contracts would become voidable. Registration is time consuming and restrictive and would require a restructuring of our operations, and we would be very constrained in the kind of business we could do as a registered investment company. Further, we would become subject to substantial regulation concerning management, operations, transactions with affiliated persons and portfolio composition, and would need to file reports under the Investment Company Act regime. The cost of such compliance would result in us incurring substantial additional expenses, and the failure to register if required would have a materially adverse impact to conduct our operations.

If regulatory changes or interpretations of our activities require registration as a money services business under the regulations promulgated by The Financial Crimes Enforcement Network under the authority of the U.S. Bank Secrecy Act, we may be required to register and comply with such regulations. If regulatory changes or interpretations of our activities require the licensing or other registration of us as a money transmitter (or equivalent designation) under state law in any state in which we operate, we may be required to seek licensure or otherwise register and comply with such state law. In the event of any such requirement, to the extent we decide to continue operating, the required registrations, licensure and regulatory compliance steps may result in extraordinary, non-recurring expenses to us. We may also decide to cease operations. Any termination of certain operations in response to the changed regulatory circumstances may be at a time that is disadvantageous to investors.

To the extent that our activities cause us to be deemed a money service business under the regulations promulgated by the Financial Crimes Enforcement Network of the U.S. Treasury Department ("FinCEN") under the authority of the U.S. Bank Secrecy Act, we may be required to comply with FinCEN regulations, including those that would mandate us to implement anti-money laundering programs, make certain reports to FinCEN and maintain certain records.

To the extent that our activities cause us to be deemed a money transmitter or equivalent designation under state law in any state in which we operate, we may be required to seek a license or otherwise register with a state regulator and comply with state regulations that may include the implementation of anti-money laundering programs, maintenance of certain records and other operational requirements. Currently, the New York Department of Financial Services has finalized its "BitLicense" framework for businesses that conduct Bitcoin business activity. We will continue to monitor for developments in New York legislation, guidance, and regulations.

Such additional federal or state regulatory obligations may cause us to incur extraordinary expenses, possibly affecting our business in a material and adverse manner. Furthermore, we and our service providers may not be capable of complying with certain federal or state regulatory obligations applicable to money service businesses and money transmitters. If we are deemed to be subject to and determine not to comply with such additional regulatory and registration requirements, we may act to dissolve and liquidate us. Any such action may adversely affect an investment in us.

Regulatory changes or actions in one or more countries or jurisdictions may alter the nature of an investment in us or restrict the use of cryptocurrency in a manner that adversely affects our business, prospects or operations.

As cryptocurrency has grown in both popularity and market size, governments around the world have reacted differently, with certain governments deeming cryptocurrency illegal, and others allowing their use and trade without restriction. In some jurisdictions, such as in the United States, cryptocurrency is subject to extensive regulatory requirements. Several countries have taken and may continue to take regulatory actions in the future that could severely restrict our right to mine, acquire, own, hold, sell or use cryptocurrency or to exchange for local currency. For example, in China it is illegal to accept payment in Bitcoin and other cryptocurrency for consumer transactions and banking institutions are barred from accepting deposits of cryptocurrency.

Cryptocurrency is viewed differently by different regulatory and standards setting organizations globally as well as in the United States on the federal and state levels. For example, the Financial Action Task Force (“FATF”) and the Internal Revenue Service (“IRS”) consider a cryptocurrency as currency or an asset or property. Further, the IRS applies general tax principles that apply to property transactions to transactions involving cryptocurrency.

If regulatory changes or interpretations require the regulation of cryptocurrency under the securities laws of the United States or elsewhere, including the Securities Act of 1933, the Exchange Act and the Investment Company Act or similar laws of other jurisdictions and interpretations by the SEC, the Commodity Futures Trading Commission (“CFTC”), the IRS, Department of Treasury or other agencies or authorities, we may be required to register and comply with such regulations, including at a state or local level. To the extent that we decide to continue operations, the required registrations and regulatory compliance steps may result in extraordinary expense or burdens to us. Should compliance with these laws become overly burdensome and unprofitable we may decide to cease certain operations and change our business model.

Current and future legislation and SEC rule-making and other regulatory developments, including interpretations released by a regulatory authority, may impact the manner in which cryptocurrency is viewed or treated for classification and clearing purposes. In particular, cryptocurrency may not be excluded from the definition of “security” by SEC rule making or interpretation requiring registration of all transactions unless another exemption is available, including transacting in cryptocurrency among owners and require registration of trading platforms as “exchanges”.

Due to concerns around resource consumption and associated environmental concerns, particularly as such concerns relate to public utilities companies, various countries, states, and cities have implemented, or are considering implementing, moratoriums on Bitcoin mining in their jurisdictions. Such moratoriums would impede Bitcoin mining and/or Bitcoin use more broadly. For example, in November 2022, New York imposed a two-year moratorium on new proof-of-work mining permits at fossil fuel plants in the state. Although we do not mine in New York, it is possible that other states may create similar laws that could have a material adverse effect on our business, financial condition and results of operations.

We cannot be certain as to how future regulatory developments will impact the treatment of cryptocurrency under the law. If we fail to comply with such additional regulatory and registration requirements, we may seek to cease certain of our operations or be subjected to fines, penalties, and other governmental action. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue its business model at all, which could have a material adverse effect on its business, prospects or operations and potentially the value of Bitcoin we plan to hold or expect to acquire for our own account.

Our business is dependent on a small number of Bitcoin mining equipment suppliers.

Our business is dependent upon Bitcoin mining equipment suppliers providing an adequate supply of new generation Bitcoin mining machines at economical prices to customers intending to purchase our hosting and other solutions. The growth in our business is directly related to increased demand for hosting services and Bitcoin which is dependent in large part on the availability of new generation mining machines offered for sale at a price conducive to profitable Bitcoin mining, as well as the trading price of Bitcoin. The market price and availability of new mining machines fluctuates with the price of cryptocurrency and can be volatile. In addition, as more companies seek to enter the mining industry, the demand for machines may outpace supply and create mining machine equipment shortages. There are no assurances that cryptocurrency mining equipment suppliers will be able to keep pace with any surge in demand for mining equipment. We currently do not have an agreement with our suppliers to purchase additional machines, and therefore there is no guarantee that we will be able to purchase machines on terms acceptable to us. We intend to complete one or more financings to provide liquidity to purchase additional machines, at which point we expect to enter into an agreement with one or more machine suppliers to purchase additional machines. Further, manufacturing mining machine purchase contracts are not favorable to purchasers and even if we do enter into agreements with our suppliers, we may have little or no recourse in the event a mining machine manufacturer defaults on its mining machine delivery commitments. If we and our customers are not able to obtain a sufficient number of Bitcoin mining machines at favorable prices, our growth expectations, liquidity, financial condition and results of operations will be negatively impacted.

Bitcoin mining machines rely on components and raw materials that may be subject to price fluctuations or shortages, including ASIC chips that have been subject to a significant shortage.

In order to build and sustain our self-mining operations we will depend on third parties to provide us with ASIC chips and other critical components for our mining equipment, which may be subject to price fluctuations or shortages. For example, the ASIC chip is the key component of a mining machine as it determines the efficiency of the device. The production of ASIC chips typically requires highly sophisticated silicon wafers, which currently only a small number of fabrication facilities, or wafer foundries, in the world are capable of producing. We believe that the previous microchip shortage that the entire industry experienced led to price fluctuations and disruption in the supply of key miner components. Specifically, the ASIC chips have recently been subject to a significant price increases and shortages.

We do not currently have agreements in place for the supply of ASIC chips. There is a risk that a manufacturer or seller of ASIC chips or other necessary mining equipment may adjust the prices based on fluctuations in cryptocurrency prices or otherwise, and the cost of new machines could become unpredictable and extremely high. As a result, at times, we may be forced to obtain Bitcoin mining machines and other hardware at premium prices, to the extent they are even available. Such events could have a material adverse effect on our business, prospects, financial condition, and operating results.

Our miners are designed to mine Bitcoin and may not be readily adaptable to other uses, a sustained decline in Bitcoin value could adversely affect our business and results of operations.

We have invested substantial capital in acquiring miners using ASIC chips designed specifically to mine Bitcoin using the 256-bit secure hashing algorithm (“SHA-256”) as efficiently and as rapidly as possible based on our assumption that we will be able to use them to mine Bitcoin and generate revenue from our operations. Therefore, our Bitcoin mining operations focus exclusively on mining Bitcoin, and our Bitcoin mining revenue is based on the value of Bitcoin we mine. Accordingly, if the value of Bitcoin declines and fails to recover, for example, because of the development and acceptance of competing blockchain platforms or technologies, including competing cryptocurrencies which our miners may not be able to mine, the revenue we generate from our Bitcoin mining operations will likewise decline. Moreover, because our miners use these highly specialized ASIC chips, we may not be able to successfully repurpose them in a timely manner, if at all, to other uses, following a sustained decline in Bitcoin value or if the Bitcoin blockchain stops using SHA-256 for solving blocks. This would result in a material adverse effect on our business and could potentially impact our ability to continue as a going concern.

The impact of geopolitical and economic events on the supply and demand for cryptocurrency is uncertain.

Geopolitical crises may motivate large-scale purchases of cryptocurrency, which could increase the price of cryptocurrency rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior dissipates, adversely affecting the value of our inventory following such downward adjustment. Such risks are similar to the risks of purchasing commodities in uncertain times, such as the risk of purchasing, holding or selling gold. Alternatively, as an emerging asset class with limited acceptance as a payment system or commodity, global crises and general economic downturns may discourage investment in cryptocurrency as investors focus their investment on less volatile asset classes as a means of hedging their investment risk.

As an alternative to fiat currencies that are backed by central governments, cryptocurrency, which is relatively new, is subject to supply and demand forces. How such supply and demand will be impacted by geopolitical events is largely uncertain but could be harmful to us. Political or economic crises may motivate large-scale acquisitions or sales of cryptocurrency either globally or locally. Such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account.

We may not be able to compete with other companies, some of whom have greater resources and experience.

We may not be able to compete successfully against present or future competitors. We do not have the resources to compete with larger providers of similar services at this time. The cryptocurrency industry has attracted various high-profile and well-established operators, some of which have substantially greater liquidity and financial resources than we do. With the limited resources we have available, we may experience great difficulties in expanding and improving our network of computers to remain competitive. Competition from existing and future competitors, particularly those that have access to competitively-priced energy, could result in our inability to secure acquisitions and partnerships that we may need to expand our business in the future. This competition from other entities with greater resources, experience and reputations may result in our failure to maintain or expand our business, as we may never be able to successfully execute our business plan. If we are unable to expand and remain competitive, our business could be negatively affected.

The mining data centers at which we maintain our mining equipment may experience damages, including damages that are not covered by insurance.

The mining data centers at which we maintain our mining equipment are, and any future mining data centers at which we maintain our mining equipment will be, subject to a variety of risks relating to physical condition and operation, including:

- the presence of construction or repair defects or other structural or building damage;
- any non-compliance with or liabilities under applicable environmental, health or safety regulations or requirements or building permit requirements;
- any damage resulting from natural disasters, such as hurricanes, earthquakes, fires, floods, and windstorms; and
- claims by employees and others for injuries sustained at our properties.

For example, the mining data centers at which we maintain our mining equipment could be rendered inoperable, temporarily or permanently, as a result of a fire or other natural disaster or by a terrorist or other attack on the facilities where our mining equipment is located. Although we have multiple sites in an effort to mitigate this risk, these and other measures we take to protect against these risks may not be sufficient. Any property insurance we obtain in the future may not be adequate to cover any losses we suffer as a result of any of these events. In the event of an uninsured loss, including a loss in excess of insured limits, at any of the mining data centers at which we maintain our mining equipment, such mining data centers may not be adequately repaired in a timely manner or at all and we may lose some or all of the future revenues anticipated to be derived from our equipment located at such mining data centers.

The dynamic nature of cryptocurrency exchanges which Bitcoin, and other cryptocurrency, are traded on may cause disruptions in the cryptocurrency markets, which may expose us to the effects of negative publicity resulting from fraudulent actors in the cryptocurrency space, and can adversely affect an investment in us.

The cryptocurrency exchanges on which Bitcoin is traded are relatively new. Many cryptocurrency exchanges do not provide the public with significant information regarding their ownership structure, management teams, corporate practices, or regulatory compliance. As a result, the marketplace may lose confidence in, or may experience problems relating to, such cryptocurrency exchanges, including prominent exchanges handling a significant portion of the volume of cryptocurrency trading. In the recent past, a number of companies in the cryptocurrency industry declared bankruptcy. Such bankruptcies have contributed, at least in part, to further price volatility in most cryptocurrencies, a loss of confidence in the participants of the cryptocurrency ecosystem and negative publicity surrounding cryptocurrencies more broadly, and other participants and entities in the cryptocurrency industry have been, and may continue to be, negatively affected. These events have also negatively impacted the demand for the cryptocurrency markets. As a result of these events, many cryptocurrency markets, including the market for Bitcoin, have experienced increased price volatility. The Bitcoin ecosystem may continue to be negatively impacted and experience long term volatility if public confidence decreases. These events are continuing to develop and it is not possible to predict, at this time, every risk that they may pose to us, our service providers, or the cryptocurrency industry as a whole. A perceived lack of stability in the cryptocurrency exchange market and the closure or temporary shutdown of cryptocurrency exchanges due to business failure, hackers or malware, government-mandated regulation, or fraud, may reduce confidence in cryptocurrency networks and result in greater volatility in cryptocurrency values. These potential consequences of a cryptocurrency exchange's failure could adversely affect an investment in us.

It may be illegal now, or in the future, to acquire, own, hold, sell, or use cryptocurrency, participate in blockchains or utilize similar cryptocurrency in one or more countries, the ruling of which would adversely affect us.

As cryptocurrency has grown in both popularity and market size, governments around the world have reacted differently to cryptocurrency; certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as in the United States, subject to extensive and evolving regulatory requirements. Until recently, little, or no regulatory attention has been directed toward cryptocurrency by U.S. federal and state governments, foreign governments, and self-regulatory agencies. As cryptocurrency has grown in popularity and in market size, the Federal Reserve Board, U.S. Congress, and certain U.S. agencies have begun to examine cryptocurrency in more detail.

One or more countries, including but not limited to China, which have taken harsh regulatory action in the past, may take regulatory actions in the future that could severely restrict the right to acquire, own, hold, sell, or use cryptocurrency or to exchange for fiat currency. In many nations, particularly in China, it is illegal to accept payment in cryptocurrency for consumer transactions and banking institutions are barred from accepting deposits of cryptocurrency. Such restrictions may adversely affect us as the large-scale use of cryptocurrency as a means of exchange is presently confined to certain regions globally. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our strategy at all, which could have a material adverse effect on our business, prospects, or operations, and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account, and harm investors.

Investors may not have the same protections that exist for traditional stock exchanges.

Traditional stock exchanges have listing requirements and vet issuers, requiring them to be subjected to rigorous listing standards and rules, and monitor investors transacting on such platform for fraud and other improprieties. Depending on a ledger-based platform's controls and the other policies of the ledger-based platform on which a given cryptocurrency trades, such cryptocurrency may not benefit from the protections afforded to traditional stock exchanges. For ledger-based platforms that do not provide sufficient protections, there is a risk of fraud and manipulation. These factors may decrease liquidity or volume of a given ledger-based platform or of the cryptocurrency industry in general or may otherwise increase volatility of investment securities or other assets trading on a ledger-based system. Such potential decreased liquidity or volume, or increase in volatility may adversely affect us, and could have a material adverse effect on our business, prospects, or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account and harm investors.

Our operations, investment strategies and profitability may be adversely affected by competition from other methods of investing in cryptocurrency.

We compete with other users and/or companies that are mining cryptocurrency and other potential financial vehicles, including securities backed by or linked to cryptocurrency through entities similar to us. Market and financial conditions, and other conditions beyond our control, may make it more attractive to invest in other financial vehicles, or to invest in cryptocurrency directly. The emergence of other financial vehicles and exchange-traded funds have been scrutinized by regulators and such scrutiny and the negative impressions or conclusions resulting from such scrutiny could be applicable to us and impact our ability to successfully pursue our strategy or operate at all, or to establish or maintain a public market for our securities. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our strategy at all, which could have a material adverse effect on our business, prospects, or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account, and harm investors.

Cryptocurrency may be subject to loss, theft, or restriction on access.

There is a risk that some or all of our Bitcoin that we own could be lost or stolen. Cryptocurrency is stored in sites commonly referred to as “wallets” by holders of cryptocurrency which may be accessed to exchange a holder’s cryptocurrency. Access to our Bitcoin could also be restricted by cybercrime (such as a denial of service attack). Cold storage refers to any cryptocurrency wallet that is not connected to the Internet. Cold storage is generally more secure than hot storage, but is not ideal for quick or regular transactions and we may experience lag time in our ability to respond to market fluctuations in the price of our Bitcoin. We expect to hold our Bitcoin in a combination of insured institutional custody services and multi signature cold storage wallets, and maintain secure backups to reduce the risk of malfeasance, but the risk of loss of our Bitcoin cannot be wholly eliminated. Any restrictions on access to our Bitcoin due to cybercrime or other reasons could limit our ability to convert cryptocurrency to cash, potentially resulting in liquidity issues. Currently, we have Bitcoin wallets custodied by Bitgo and Coinbase (each, a “Custodian” and together, the “Custodians”). All of our wallets held by the Custodians are cold wallets. Such arrangements are governed by each Custodian’s terms of service, and we do not have an agreement with either Custodian other than such terms of service. When we decide to sell Bitcoin, we transfer it from our digital wallets held by the applicable Custodian to our trading account wallet, which is held by us. We do not currently have a specific policy for how or when to sell Bitcoin for fiat currency to fund our operations for growth or through what exchange we do so, or whether we should hold our mining rewards for investment purposes. Currently, our Bitcoin is not held for long periods of time and it is generally sold in order to fund our operations. Transfers through Bitgo over a certain size require video conference verification to ensure that the request came from one of our authorized signors, and that we in fact authorized the transfer in question.

Hackers or malicious actors may launch attacks to steal, compromise or secure cryptocurrency. As we increase in size, we may become a more appealing target of hackers, malware, cyber-attacks, or other security threats. Any of these events may adversely affect our operations and, consequently, our investments and profitability. The loss or destruction of a private key required to access our digital wallets may be irreversible and we may be denied access for all time to our Bitcoin holdings or the holdings of others held in those compromised wallets. Our loss of access to our private keys or a data loss relating to our digital wallets could adversely affect our investments and assets.

Cryptocurrency is controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet’s public key or address is reflected in the network’s public blockchain. To the extent such private keys are lost, destroyed, or otherwise compromised, we will be unable to access our Bitcoin rewards and such private keys may not be capable of being restored by any network. Any loss of private keys relating to digital wallets used to store our Bitcoin could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects, or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account.

We may not have adequate sources of recovery if our Bitcoin holdings are lost, stolen or destroyed.

We rely on BitGo to facilitate the custody of our Bitcoin. If our Bitcoin holdings are lost, stolen or destroyed under circumstances rendering a party, including BitGo, liable to us, the responsible party may not have the financial resources sufficient to satisfy our claim. For example, as to a particular event of loss, the only source of recovery for us might be limited, to the extent identifiable, to other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of ours. While BitGo maintains insurance coverage of such types and amounts as BitGo asserts to be commercially reasonable for its custodial services provided under our custody agreement with BitGo, including certain commercial crime insurance of limited aggregate principal amount which covers losses stemming from fraud, security breach, hack and asset theft, such insurance coverage may be insufficient to protect us against all losses of our Bitcoin holdings held in custody with BitGo, whether or not stemming from security breaches, cyberattacks or other types of unlawful activity.

Incorrect or fraudulent cryptocurrency transactions may be irreversible.

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrency may be irretrievable. As a result, any incorrectly executed or fraudulent cryptocurrency transactions could adversely affect our investments and assets. Cryptocurrency transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the cryptocurrency from the transaction. Once a transaction has been verified and recorded in a block that is added to a blockchain, an incorrect transfer of a cryptocurrency or a theft thereof generally will not be reversible and we may not have sufficient recourse to recover our losses from any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, our Bitcoin rewards could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts. Further, at this time, there is no specifically enumerated U.S. or foreign governmental, regulatory, investigative or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen cryptocurrency. In the event of a loss, we would be reliant on existing private investigative entities to investigate any such loss of our Bitcoin. To the extent that we are unable to recover our losses from such action, error or theft, such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects, or operations of and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account.

Our interactions with a blockchain may expose us to specially designated nationals or blocked persons or cause us to violate provisions of law that did not contemplate distributed ledger technology.

The Office of Financial Assets Control of the U.S. Department of Treasury (“OFAC”) requires us to comply with its sanction program and not conduct business with persons named on its specially designated nationals list. However, because of the pseudonymous nature of blockchain transactions, we may inadvertently and without our knowledge engage in transactions with persons named on OFAC's specially designated nationals list. Our policy prohibits any transactions with such specially designated national individuals, but we may not be adequately capable of determining the ultimate identity of the individual with whom we transact with respect to selling cryptocurrency. We do not directly sell Bitcoin to individuals; rather our custodial partners sell Bitcoin on our behalf. We require that our custodial partners who sell our cryptocurrency to have standard industry anti-money laundering (AML), know your customer (KYC) and OFAC policies. To the extent government enforcement authorities literally enforce these and other laws and regulations that are impacted by decentralized distributed ledger technology, we may be subject to investigation, administrative or court proceedings, and monetary fines and penalties, which could harm our reputation.

The price of cryptocurrency may be affected by the sale of cryptocurrency by other vehicles investing in cryptocurrency or tracking cryptocurrency markets.

The mathematical protocols under which cryptocurrency is mined permit the creation of a limited, predetermined amount of currency, while others have no limit established on total supply. To the extent that other vehicles investing in cryptocurrency or tracking cryptocurrency markets form and come to represent a significant proportion of the demand for a cryptocurrency, large redemptions of the securities of those vehicles and the subsequent sale of such cryptocurrency by such vehicles could negatively affect the price and value of the cryptocurrency inventory we hold. Such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects, or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account.

Bitcoin is subject to halving, and our Bitcoin mining operations may generate less revenue as a result.

At mathematically predetermined intervals, the number of new Bitcoin awarded for solving a block is cut in half, which is referred to as “halving.” Bitcoin halving occurred in April 2024, at which time the block rewards for Bitcoin halved from 6.25 to 3.125. While we cannot predict the exact date of the next halving, as it is predicated on factors such as the block height and the network hashrate, halving happens every 210,000 blocks, and the next Bitcoin halving is expected to occur in 2028. While Bitcoin prices have historically increased around these halving events, there is no guarantee that the price change will be favorable or would compensate for the reduction in mining rewards. If a corresponding and proportionate increase in the price of Bitcoin does not follow the upcoming or future halving events, the revenue we earn from our Bitcoin mining operations would see a decrease, which could have a material adverse effect on our results of operations and financial condition.

The maximum number of Bitcoins that may be released into circulation is 21 million, and the number of Bitcoin currently in circulation is approximately 19.9 million. As the number of Bitcoin available to be mined narrows, we expect the fees for Bitcoin transactions to increase. Eventually, once the majority of Bitcoin is mined and in circulation, we expect to see revenue from transaction fees to exceed the revenue from mining Bitcoin. Once this occurs, we may need to find additional ways to increase our revenue, which could include entering into other areas within the cryptocurrency industry.

There are risks related to technological obsolescence, the vulnerability of the global supply chain to cryptocurrency hardware disruption, and difficulty in obtaining new hardware which may have a negative effect on our business.

Our mining operations can only be successful and ultimately profitable if the costs of mining cryptocurrency, including hardware and electricity costs, associated with mining cryptocurrency are lower than the price of cryptocurrency. As our mining facility operates, our miners experience ordinary wear and tear, and may also face more significant malfunctions caused by a number of extraneous factors beyond our control. The physical degradation of our miners will require us to, over time, replace those miners which are no longer functional. Additionally, as the technology evolves, we may be required to acquire newer models of miners to remain competitive in the market.

Also, because we expect to depreciate all new miners, our reported operating results will be negatively affected. Further, the global supply chain for cryptocurrency miners is presently heavily dependent on China. Should disruptions to the China-based global supply chain for cryptocurrency hardware occur, we may not be able to obtain adequate replacement parts for existing miners or to obtain additional miners from the manufacturer on a timely basis. Such events could have a material adverse effect on our ability to pursue our new strategy, which could have a material adverse effect on our business.

We may not adequately respond to price fluctuations and rapidly changing technology, which may negatively affect our business.

Competitive conditions within the cryptocurrency industry require that we use sophisticated technology in the operation of our business. The industry for blockchain technology is characterized by rapid technological changes, new product introductions, enhancements, and evolving industry standards. New technologies, techniques or products could emerge that might offer better performance than the software and other technologies we currently utilize, and we may have to manage transitions to these new technologies to remain competitive. We may not be successful, generally or relative to our competitors in the cryptocurrency industry, in timely implementing new technology into our systems, or doing so in a cost-effective manner. As a result, our business and operations may suffer.

The reward for mining cryptocurrency in the future may decrease, and the value of cryptocurrency may not adjust to compensate us for the reduction in the rewards we receive from our mining efforts.

There is no guarantee that price fluctuations of cryptocurrency will compensate for the reduction in mining rewards. If a corresponding and proportionate increase in the trading price of a cryptocurrency or a proportionate decrease in mining difficulty does not follow the decrease in rewards, the revenue we earn from our Bitcoin mining operations could see a corresponding decrease, which would have a material adverse effect on our business and operations.

The value of Bitcoin may be subject to pricing risk and has historically been subject to wide swings.

Bitcoin market prices, which have historically been volatile and are impacted by a variety of factors (including those discussed below), are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Furthermore, such prices may be subject to factors such as those that impact commodities, more so than business activities, which could be subjected to additional influence from fraudulent or illegitimate actors, real or perceived scarcity, and political, economic, regulatory, or other conditions. Pricing may be the result of, and may continue to result in, speculation regarding future appreciation in the value of cryptocurrency, inflating and making its market prices more volatile or creating “bubble” type risks for cryptocurrency.

We may not be able to realize the benefits of forks. Forks in a cryptocurrency network may occur in the future which may affect the value of cryptocurrency held by us.

To the extent that a significant majority of users and miners on a cryptocurrency network install software that changes the cryptocurrency network or properties of a cryptocurrency, including the irreversibility of transactions and limitations on the mining of new cryptocurrency, the cryptocurrency network would be subject to new protocols and software. However, if less than a significant majority of users and miners on the cryptocurrency network consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a “fork” of the network, with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the cryptocurrency running in parallel, yet lacking interchangeability and necessitating exchange-type transactions to convert currencies between the two forks. A fork in a cryptocurrency could adversely affect our business because we may not be able to realize the economic benefit of a fork, either immediately or ever, which could adversely affect our business. If we hold a cryptocurrency at the time of a hard fork into two cryptocurrencies, industry standards would dictate that we would be expected to hold an equivalent amount of the old and new assets following the fork. However, we have not in the past, and have no plans in the future, to use or participate in forks, and, as a result, we may not realize the economic benefit of a new asset created by a fork. Additionally, laws, regulations or other factors may prevent us from benefiting from the new asset.

If a malicious actor or botnet obtains control in excess of 50% of the processing power active on any cryptocurrency network, it is possible that such actor or botnet could manipulate the blockchain in a manner that adversely affects an investment in us.

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on any cryptocurrency network, it may be able to alter the blockchain by constructing alternate blocks if it is able to solve for such blocks faster than the remainder of the miners on the blockchain can add valid blocks. In such alternate blocks, the malicious actor or botnet could control, exclude, or modify the ordering of transactions, though it could not generate new cryptocurrency or transactions using such control. Using alternate blocks, the malicious actor could “double-spend” its own cryptocurrency (i.e., spend the same cryptocurrency in more than one transaction) and prevent the confirmation of other users’ transactions for so long as it maintains control. To the extent that such malicious actor or botnet does not yield its majority control of the processing power or the cryptocurrency community does not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Such changes could adversely affect an investment in us.

The approach towards and possible crossing of the 50% threshold indicate a greater risk that a single mining pool could exert authority over the validation of cryptocurrency transactions. To the extent that the cryptocurrency ecosystems do not act to ensure greater decentralization of cryptocurrency mining processing power, the feasibility of a malicious actor obtaining more than 50% of the processing power on any cryptocurrency network (e.g., through control of a large mining pool or through hacking such a mining pool) will increase, which may adversely impact an investment in us.

Cryptocurrency, including those maintained by or for us, may be exposed to cybersecurity threats and hacks.

As with any computer code generally, flaws in cryptocurrency codes may be exposed by malicious actors. Several errors and defects have been found previously, including those that disabled some functionality for users and exposed users' information. Exploitation of flaws in the source code that allow malicious actors to take or create money have previously occurred. Despite our efforts and processes to prevent breaches, our devices, as well as our miners, computer systems and those of third parties that we use in our operations, are vulnerable to cybersecurity risks, including cyberattacks such as viruses and worms, phishing attacks, denial-of-service attacks, physical or electronic break-ins, employee theft or misuse, and similar disruptions from unauthorized tampering with our miners and computer systems or those of third parties that we use in our operations. Such events could have a material adverse effect our business, prospects, or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account.

Malicious cyber-attacks, attempted cybersecurity breaches, and other adverse events affecting our operational systems or infrastructure, or those of third parties, could disrupt our businesses and cause losses.

Despite defensive measures we have taken to protect, detect, respond, and recover from cyber threats, we experience cybersecurity threats and incidents from time to time, and it is possible that such defensive measures will be unsuccessful in mitigating a cybersecurity event. These events may arise from external factors such as governments, organized crime, hackers, and other third parties such as infrastructure-support providers and application developers, or may originate internally from an employee or service provider to whom we have granted access to our computer systems. If our security measures are breached, our business would suffer and we could incur material liability. Because techniques used to obtain unauthorized access or to sabotage computer systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures.

We also face the risk of operational disruption, failure or capacity constraints of any of the third-party service providers that facilitate our business activities. In addition, the increased flexibility for our employees to work remotely post-Pandemic has amplified certain risks related to, among other things, the increased demand on our information technology resources and systems, the increased risk of phishing and other cybersecurity attacks, and the increased number of points of possible attack, such as laptops and mobile devices (both of which are now being used in increased numbers), to be secured.

Our remediation costs and lost revenues could be significant if we fall victim to a cyber-attack. If an actual, threatened or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed. We may be required to expend significant resources to repair system damage, pay a ransom, protect against the threat of future security breaches or to alleviate problems caused by any breaches.

Our cash and other sources of liquidity may not be sufficient to fund our operations and there is substantial doubt about our ability to continue as a going concern within 12 months from the date of issuance of our financial statements and we may not be successful in raising additional capital necessary to meet expected increases in working capital needs, and if we raise additional funding through sales of equity or equity-based securities your shares will be diluted.

Management has projected that based on our recurring losses, negative cash flows from operating activities, and our hashing rate at December 31, 2025, cash on hand may not be sufficient to allow us to continue operations and there is substantial doubt about our ability to continue as a going concern within 12 months from the date of issuance of our financial statements if we are unable to raise additional funding for operations. We expect our working capital needs to increase in the future as we continue to expand and enhance our operations. Our ability to raise additional funds for working capital through equity or debt financings or other sources may depend on the financial success of our business and successful implementation of our key strategic initiatives, financial, economic and market conditions and other factors, some of which are beyond our control. We require additional capital and if we are unsuccessful in raising that capital at a reasonable cost and at the required times, or at all, we may not be able to continue our business operations in the cryptocurrency mining industry or we may be unable to advance our growth initiatives, either of which could adversely impact our business, financial condition and results of operations. In an effort to mitigate these risks we are taking steps to lower our cost of mining and also refresh our mining fleet to increase our mining efficiency.

Significant changes from our current forecasts, including but not limited to: (i) shortfalls from projected mining earning levels; (ii) increases in operating costs; (iii) decreases in the value of cryptocurrency; and (iv) if we do not maintain compliance with the requirements of The Nasdaq Capital Market (“Nasdaq”) and/or we do not maintain our listing with Nasdaq it could have a material adverse impact on our ability to access the level of funding necessary to continue our operations at current levels. These factors, among others, should they occur may result in our inability to continue as a going concern within 12 months from the date of issuance of our financial statements. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and do not include any adjustments that might result from the outcome of this uncertainty.

We have a history of net losses. We may not achieve or maintain profitability.

We have limited non-recurring revenues derived from operations. We have a history of net losses, and we expect to continue to incur net losses and we may not achieve or maintain profitability. We may see continued losses during 2026 and as a result of these and other factors, we may not be able to achieve, sustain or increase profitability in the near future.

We are subject to many risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources. There is no assurance that we will be successful in achieving a return on shareholders’ investment and the likelihood of success must be considered considering our stage of operations.

The failure to attract, hire, retain and motivate key personnel could have a significant adverse impact on our operations.

Our success depends on the retention and maintenance of key personnel, including members of senior management. Achieving this objective may be difficult due to many factors, including competition for such highly skilled personnel; fluctuations in global economic and industry conditions; changes in our management or leadership; competitors’ hiring practices; and the effectiveness of our compensation programs. The loss of any of these key persons could have a material adverse effect on our business, financial condition or results of operations.

Our success is also dependent on our continuing ability to identify, hire, train, motivate and retain highly qualified management and finance personnel. Any such new hires may require a significant transition period prior to making a meaningful contribution. Competition for qualified employees is particularly intense in the technology industry, and we have in the past experienced difficulty recruiting qualified employees. Our failure to attract and to retain the necessary qualified personnel could seriously harm our operating results and financial condition. Competition for such personnel can be intense, and no assurance can be provided that we will be able to attract or retain highly qualified technical and managerial personnel in the future, which may have a material adverse effect on our future growth and profitability. We do not have key person insurance.

Our financial results may fluctuate substantially for many reasons, and past results should not be relied on as indications of future performance.

Our revenues and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors. Thus, there can be no assurance that we will be able to reach profitability on a quarterly or annual basis. We believe that our revenue and operating results will continue to fluctuate, and that period-to-period comparisons are not necessarily indications of future performance. Our revenue and operating results may fail to meet the expectations of public market analysts or investors, which could have a material adverse effect on the price of our common shares. In addition, portions of our expenses are fixed and difficult to reduce if our revenues do not meet our expectations. These fixed expenses magnify the adverse effect of any revenue shortfall.

Our plans for implementing our business strategy and achieving profitability are based upon the experience, judgment and assumptions of our key management personnel, and available information concerning the communications and technology industries. If management’s assumptions prove to be incorrect, it could have a material adverse effect on our business, financial condition, or results of operations.

We may engage in strategic acquisitions and other arrangements that could disrupt our business, cause dilution to our shareholders, reduce our financial resources and harm our operating results.

We may engage in strategic transactions as part of our growth strategy, in the future, we expect to seek additional opportunities to grow our mining operations, including through purchases of miners and facilities from other operating companies, including companies in financial distress. Our ability to grow through future acquisitions will depend on the availability of, and our ability to identify, suitable acquisition and investment opportunities at an acceptable cost, our ability to compete effectively to attract those opportunities and the availability of financing to complete acquisitions. Future acquisitions will likely require us to issue common shares that would dilute our current shareholders' percentage ownership, assume or otherwise be subject to liabilities of an acquired company, record goodwill and non-amortizable intangible assets that will be subject to impairment testing on a regular basis and potential periodic impairment charges, incur amortization expenses related to certain intangible assets, incur large acquisition and integration costs, immediate write-offs, and restructuring and other related expenses and/or become subject to litigation.

The benefits of an acquisition may also take considerable time to develop, and we cannot be certain that any particular acquisition will produce the intended benefits in a timely manner or to the extent anticipated or at all. We may experience difficulties integrating the operations, technologies and personnel of an acquired company or be subjected to liability for the target's pre-acquisition activities or operations as a successor in interest. Such integration may divert management's attention from normal daily operations of our business. Future acquisitions may also expose us to potential risks, including risks associated with entering markets in which we have no or limited prior experience, especially when competitors in such markets have stronger market positions, the possibility of insufficient revenues to offset the expenses we incur in connection with an acquisition and the potential loss of, or harm to, our relationships with employees and suppliers as a result of integration of new businesses.

We may not be able to timely complete our future strategic growth initiatives or within our anticipated cost estimates, if at all.

As part of our efforts to grow our hashrate and remain competitive in the market, we have completed a self-owned infrastructure for our 8 MW site in Iowa and invested in additional new mining equipment. We are also reliant on third parties for our expansion efforts, including providers of infrastructure equipment, who may be burdened by delays in manufacturing, supply chain problems, less access to capital due to macro-economic conditions, or inflation. This could increase our costs and/or delay our expansion and acquisition efforts. If we are unable to complete our planned expansions or acquisitions on schedule and within our anticipated cost estimates, our deployment of newly purchased mining equipment may be delayed, which could affect our competitiveness and our results of operation, which could have a material adverse effect on our financial condition and the market price for our securities.

We may experience increased compliance costs as a result of future strategic acquisitions.

Future strategic acquisitions could carry substantial compliance burdens, which may limit our ability to realize the anticipated benefits of such acquisitions, and may require our management and personnel to shift their focus to such compliance burdens and away from their other functions. Such increased costs and compliance burdens could affect our ability to realize the anticipated benefits of such strategic acquisitions, and our business, results of operations and financial condition may suffer as a result.

Risks Related to Our Public Company Status and Our Common Shares

Sales of common shares issuable upon exercise of outstanding warrants, the conversion of outstanding preferred shares, or the effectiveness of our registration statement may cause the market price of our common shares to decline.

As of December 31, 2025 we had warrants outstanding for the purchase of up to 1,324,534 common shares having a weighted-average exercise price of \$85.32 per share. The sale of our common shares upon exercise of our outstanding warrants, or the sale of a significant amount of the common shares issued or issuable upon exercise of the warrants in the open market, or the perception that these sales may occur, could cause the market price of our common shares to decline or become highly volatile.

We may issue additional shares or other equity securities without your approval, which would dilute your ownership interest in us and may depress the market price of our common shares.

We may issue additional shares or other equity securities in the future in connection with, among other things, future acquisitions, repayment of outstanding indebtedness or grants without shareholder approval in a number of circumstances. The issuance of additional shares or other equity securities could have one or more of the following effects:

- our existing shareholders' proportionate ownership interest will decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding share may be diminished; and
- the market price of our common shares may decline.

The market price of our common shares is volatile and it may decline significantly.

The market price for our common shares is volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including the following:

- price and volume fluctuations in the overall stock market, the cryptocurrency market, and of Bitcoin mining stocks from time to time;
- future capital raising activities;
- sales of common shares by holders thereof or by us;
- changes in financial estimates by securities analysts who follow us, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to us and our business;
- any significant change in our executive officers and other key personnel or Board of Directors;
- release of transfer restrictions on certain outstanding common shares; and
- fluctuating or anticipated changes in power markets.

Financial markets may experience price and volume fluctuations that affect the market prices of equity securities of companies and that are unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if our operating results, underlying asset values or prospects have not changed. As well, certain institutional investors may base their investment decisions on consideration of our governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in our common shares by those institutions, which could adversely affect the trading price of our common shares. There can be no assurance that fluctuations in price and volume will not occur due to these and other factors.

In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be a target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management's attention from day-to-day operations and consume resources, such as cash. In addition, the resolution of those matters may require us to issue additional common shares, which could potentially result in dilution to our existing shareholders. Expenses incurred in connection with these matters (which include fees of lawyers and other professional advisors and potential obligations to indemnify officers and directors who may be parties to such actions) could adversely affect our cash position.

If our performance does not meet market expectations, the price of our common shares may decline.

If our performance does not meet market expectations, the price of our common shares may decline. The market value of our common shares may vary significantly from the price of our common shares on the date of this Annual Report.

In addition, fluctuations in the price of our common shares could contribute to the loss of all or part of your investment. Any of the factors listed below could have a material adverse effect on your investment in our common shares and our common shares may trade at prices significantly below the price you paid for them. Factors affecting the trading price of our common shares may include:

- actual or anticipated fluctuations in our financial results or the financial results of companies perceived to be similar to it;
- changes in the market's expectations about our operating results;
- success of competitors;
- our operating results failing to meet market expectations in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us;
- operating and share price performance of other companies that investors deem comparable to us;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- the volume of our shares available for public sale;
- any significant change in our board or management;
- sales of substantial amounts of shares by our directors, executive officers or significant shareholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may depress the market price of our common shares irrespective of our operating performance. The stock market in general and Nasdaq have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for technology, Bitcoin mining or sustainability-related stocks or the stocks of other companies that investors perceive to be similar to us could depress our share price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our common shares also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

If the trading price of our common shares fails to comply with the continued listing requirements of Nasdaq, we would face possible delisting, which would result in a limited public market for our common shares and make obtaining future debt or equity financing more difficult for us.

Companies listed on Nasdaq are subject to delisting for, among other things, failure to maintain a minimum closing bid price of \$1.00 per share for 30 consecutive business days pursuant to Nasdaq Listing Rule 5550(a)(2) and 5810(c)(3)(A) (the “Nasdaq Listing Rules”).

On March 6, 2025, we received a notice from the Nasdaq Listing Qualifications Department of the Nasdaq Stock Market LLC stating that the bid price of our common shares for the last 30 consecutive trading days had closed below the minimum \$1.00 per share required for continued listing under Listing Rule 5550(a)(2) (the “Listing Rule”). We had a period of 180 calendar days to regain compliance with the Listing Rule. In September 2025, we received an extension for a period of 180 calendar days, or until March 2, 2026, to regain compliance with the Listing Rule.

On February 9, 2026, we filed an Articles of Amendment to effect a share consolidation (also known as a reverse stock split) of our issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. Our common shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026. On February 26, 2026, we received notification from the Nasdaq Listing Qualifications Department that we are in compliance with the Listing Rule.

We may be subject to securities litigation, which is expensive and could divert management attention.

Our share price may be volatile and, in the past, companies that have experienced volatility in the market price of their shares have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management’s attention and resources, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Any adverse determination in litigation could also subject us to significant liabilities.

We will continue to incur substantial costs and obligations as a result of being a public company.

As a publicly traded company, we will continue to incur significant legal, accounting, and other expenses. In addition, new and changing laws, regulations and standards relating to corporate governance and public disclosure for public companies, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), regulations related thereto and the rules and regulations of the United States SEC and Nasdaq, have increased the costs and the time that must be devoted to compliance matters. We expect these rules and regulations will increase our legal and financial costs and lead to a diversion of management time and attention from revenue-generating activities.

We must comply with the financial reporting requirements of a public company, as well as other requirements associated with being listed on Nasdaq.

We are subject to reporting and other obligations under applicable Canadian securities laws, SEC rules and the rules of Nasdaq. These reporting and other obligations, including National Instrument 52-102 - Continuous Disclosure Obligations and National Instrument 52-109 - Certification of Disclosure in Issuers’ Annual and Interim Filings, place significant demands on our management, administrative, operational, and accounting resources. Moreover, any failure to maintain effective internal controls could cause us to fail to meet our reporting obligations or result in material misstatements in our consolidated financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially harmed, which could also cause investors to lose confidence in our reported financial information, which could result in a lower trading price of our common shares.

Management does not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error, or fraud may occur and not be detected.

We may be treated as a Passive Foreign Investment Company.

There is also an ongoing risk that we may be treated as a Passive Foreign Investment Company (“PFIC”), for U.S. federal income tax purposes. A non-U.S. corporation generally will be considered to be a PFIC for any taxable year in which 75% or more of its gross income is passive income, or 50% or more of the average value of its assets are considered “passive assets” (generally, assets that generate passive income). This determination is highly factual, and will depend upon, among other things, our market valuation and future financial performance. Based on current business plans and financial expectations, we do not believe we were a PFIC for our tax year ended December 31, 2025, and based on current business plans and financial expectations, we expect that we will not be a PFIC for our current tax year ending December 31, 2026 or for the foreseeable future. If we were to be classified as a PFIC for any future taxable year, holders of our common shares who are U.S. taxpayers would be subject to adverse U.S. federal income tax consequences.

Certain of our directors, officers and management could be in a position of conflict of interest.

Certain of our directors, officers and members of management may also serve as directors and/or officers of other companies. We may contract with such directors, officers, members of management and such other companies or with affiliated parties or other companies in which such directors, officers, or members of management own or control. These persons may obtain compensation and other benefits in transactions relating to us. Consequently, there exists the possibility for such directors, officers, and members of management to be in a position of conflict.

We may issue an unlimited number of common shares. Future sales of common shares will dilute your shares.

Our articles permit the issuance of an unlimited number of common shares, and shareholders will have no preemptive rights in connection with such further issuances. With limited exceptions, we are generally not restricted from issuing additional common shares, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common shares. The market price of our common shares could decline as a result of sales of common shares or securities that are convertible into or exchangeable for, or that represent the right to receive, common shares after this offering or the perception that such sales could occur.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

We understand the importance of preventing, assessing, identifying, and managing material risks associated with cybersecurity threats. Cybersecurity processes to assess, identify and manage risks from cybersecurity threats have been incorporated as a part of our overall risk assessment process and have been embedded in our operating procedures, internal controls and information systems. We have engaged a third-party vendor to provide a variety of cybersecurity services ranging from ongoing security advisory services to cybersecurity monitoring and response management.

We use a risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of our systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems. For third parties that we rely upon for certain IT systems, we seek to use only reputable providers, to use the most recently reliable versions of such systems, and monitor and address alerts for potential vulnerabilities to any such systems. We do not believe that risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected us, including our business strategy, results of operations or financial condition.

Our Board of Directors oversees management's processes for identifying and mitigating risks, including cybersecurity risks, to help align our risk exposure with our strategic objectives. Our Chief Executive Officer is responsible for assessing and managing cybersecurity risks, responding to any cybersecurity incidents and reporting any such incidents to our Board of Directors, and periodically briefs our Board of Directors on our cybersecurity and information security posture and on any cybersecurity incidents deemed to have a moderate or higher business impact. In the event of a material cybersecurity incident, our cybersecurity consultant has extensive information technology and program management experience. We believe that we have implemented a governance structure and processes that are equipped to assess, identify, manage and report cybersecurity risks. Refer to "Item 1A. Risk Factors" for a discussion of certain of the cybersecurity risks that our business is subject to.

Item 2. Properties

We are a remote-first company, meaning our employees have the option to work remotely. As a result of this strategy, we do not maintain a corporate headquarters. We believe that our remote working strategy is adequate to meet our needs for the immediate future, and that, should we need physical office space, suitable space will be available in the future.

Item 3. Legal Proceedings

For a discussion of our legal proceedings, see Note 16. *Commitments and Contingencies* to our Consolidated Financial Statements.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common shares are listed on The Nasdaq Capital Market under the symbol "ANY". As of March 23, 2026, we had approximately 35 shareholders of record and beneficial owners of our common shares.

Dividends

We have not declared or paid any dividends on our common shares to date. Our current intention is to retain any future earnings to support the development of the business of Sphere 3D and we do not anticipate paying cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board of Directors of Sphere 3D after taking into account various factors, including but not limited to the financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that Sphere 3D may be a party to at the time. Accordingly, investors must rely on sales of their Sphere 3D common shares after price appreciation, which may never occur, as the only way to realize a return on their investment.

Recent Sales of Unregistered Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and notes included in the Annual Report on Form 10-K. In addition to historical information, the following discussion contains forward-looking statements that are subject to risks and uncertainties. Actual results may differ substantially from those referred to herein due to a number of factors, including but not limited to risks described in *Part I, Item 1A. Risks Factors*, and elsewhere in this Annual Report. References to “Notes” are Notes included in our Notes to Consolidated Financial Statements.

Overview

In January 2022, we commenced operations of our Bitcoin mining business and are dedicated to becoming a leader in the blockchain and cryptocurrency industry. We have established and continue to grow an enterprise-scale mining operation through the procurement of mining equipment and partnering with experienced service providers.

We obtain Bitcoin as a result of our mining operations, and when necessary, we sell Bitcoin to support our operations and strategic growth. We mine Bitcoin in states that do not have any material state-specific regulatory restrictions on the mining of Bitcoin. However, it is possible that these states or other states in which we may seek to operate may create laws that would impede Bitcoin mining. We do not currently plan to engage in regular trading of Bitcoin other than sales to convert our Bitcoin into U.S. dollars. Decisions to hold or sell our Bitcoin is currently determined by management by analyzing forecasts and monitoring the market in real time. We have a hybrid treasury strategy to hold Bitcoin when possible and sell to fund working capital requirements.

As of December 31, 2025, we owned approximately 12,600 miners, of which approximately 4,200 were in service and have a total hashrate capacity of 0.73 exahash per second (“EH/s”). We are strategizing for our future growth by refreshing a significant portion of our fleet with newer-generation machines to bolster efficiency, and starting from March 2025, we have a self-owned 8 megawatt (“MW”) facility in Iowa (“Iowa Site”). As of February 2026, with the sale of approximately 7,700 older generation miners not in service for 437 newer generation miners, we have approximately 5,300 miners and our refresh of our miner fleet is substantially complete. Vertically integrating with self-owned facilities, such as our Iowa Site, allows us to reduce our reliance on third-parties and decrease our overall cost to mine a Bitcoin. As a result of our strategic changes, during the latter part of 2024 and ongoing, mining production has decreased as we focused on our long-term strategic goals of transitioning to lower-cost hosting sites, vertically integrating to own our own site, and refreshing our fleet with newer-generation machines.

In 2025, we mined 111.6 Bitcoin, which represented a decrease of 61.0% over the 286.3 Bitcoin we mined in 2024. The decrease was primarily due to the April 2024 halving event, our transition to lower-cost hosting sites, and refreshing our fleet with newer-generation machines. Based on our existing operations and expected deployment of miners we have purchased, we anticipate continuing to increase exahash throughout 2026. We do not have scheduled downtime for our miners. We periodically perform both scheduled and unscheduled maintenance on our miners. Depending on the type of repair, the miner may run at a reduced speed or be taken offline. We use software programs to monitor the performance of our machines. The miners owned as of December 31, 2025 have an average efficiency (joules per terahash – “J/th”) of 22.0 J/th compared to an average efficiency of 27.1 J/th in 2024. We expect efficiency to improve in 2026 to approximately 19.0 J/th. The miner efficiency is an indication of how efficiently we can earn Bitcoin and minimize cost to run the miner. Currently, we intend only to mine Bitcoin and we hold no other cryptocurrency other than Bitcoin. We do not have any power purchase agreements for the supply of power.

As of December 31, 2025, we held approximately 37.3 Bitcoin. The fair value of our Bitcoin as of December 31, 2025 was approximately \$3.3 million on our consolidated balance sheet.

Recent Key Events

- On March 5, 2026, we and Cathedra Bitcoin Inc. (“Cathedra”), entered into a definitive agreement to combine the two companies, in an all-stock transaction, to create a high density computing power infrastructure company focused on high-performance compute, digital assets, energy optimization, and development of power and infrastructure. The strategic combination is anticipated to enable near-term vertical integration, positioning the new entity to accelerate scalable, high-efficiency deployment across North America by leveraging a focus on low-cost power, and operational efficiency. Under the terms of the definitive arrangement agreement, entered into on March 5, 2026 (the “Arrangement Agreement”), we have agreed to acquire all of the issued and outstanding shares of Cathedra (the “Transaction”), subject to customary closing conditions, including regulatory, court, and shareholder approvals, such that upon consummation of the Transaction, Cathedra will be a wholly-owned subsidiary of the Company. If the Arrangement Agreement is terminated in certain specified circumstances, we or Cathedra would be required to pay the other party a termination fee of \$0.5 million.
- On March 4, 2026, we granted 472,222 RSUs and 45,532 RSAs with an aggregate fair value of \$0.7 million.
- During March 2026, under the AGP Agreement we issued 256,142 common shares for \$0.4 million of net proceeds.
- On February 9, 2026, we filed an Articles of Amendment to effect a share consolidation (also known as a reverse stock split) of our issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. Our common shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026. All share and per share amounts have been restated for all periods presented to reflect the share consolidation.
- On February 9, 2026, we sold approximately 7,700 older generation miners included in property and equipment for 437 newer generation miners with a value of \$1.1 million.

Results of Operations - Comparison of Years Ended December 31, 2025 and 2024

Revenue

We had revenue of \$11.2 million during 2025 compared to \$16.6 million during 2024. The \$5.4 million decrease in revenue is primarily due to the April 2024 halving event, and the process of removing our older mining equipment and replacing it with newer generation machines, offset by an increase in the fair value of Bitcoin. The refreshing of our mining equipment is expected to be an ongoing process through the beginning of 2026 which may result in further fluctuations in exahash. During the years ended December 31, 2025 and 2024, all of our revenue was derived from Bitcoin mining.

Operating Expenses

Cost of Revenue (exclusive of depreciation and amortization expense)

For the years ended December 31, 2025 and 2024, direct cost of revenues were \$8.6 million and \$13.4 million, respectively. The \$4.8 million decrease in cost of revenue was primarily due to lower hosting fees related to machines taken offline to be relocated and the transition of removing older mining machines and replacing them with newer generation machines and lower cost of revenue at our Iowa Site.

General and Administrative Expense

General and administrative expenses were \$8.3 million and \$12.4 million for the years ended December 31, 2025 and 2024, respectively. The \$4.1 million decrease was primarily due to a decrease of \$2.0 million in share-based compensation primarily related to forfeited awards, a decrease in legal fees of \$1.4 million related to the resolution of the Gryphon Digital Mining, Inc. litigation, a decrease of \$0.7 million in employee and related expenses primarily related to a decrease in headcount, a \$0.5 million decrease in insurance expense, and a \$0.2 million decrease in directors' fees. These decreases were offset by an increase of \$0.8 million in costs related to strategic business growth efforts.

Depreciation and Amortization Expense

Depreciation and amortization expense was \$6.9 million and \$7.1 million for the years ended December 31, 2025 and 2024, respectively. The decrease of \$0.2 million was primarily due to less depreciation related to our Bitcoin mining machines due to the disposal of machines.

Impairment of Property and Equipment

Impairment of property and equipment was \$7.2 million and \$1.1 million for the years ended December 31, 2025 and 2024, respectively. For the year ended December 31, 2025, an impairment of \$7.2 million was recorded for the expected sales value of mining equipment primarily due to the decline in Bitcoin price. For the year ended December 31, 2024, an impairment of \$1.1 million was recorded related to idle mining equipment not expected to return to use.

Loss on Disposal of Property and Equipment

Loss on disposal of property and equipment was \$1.7 million and \$3.5 million for the years ended December 31, 2025 and 2024, respectively, and primarily related to the sale of mining equipment.

Change in Fair Value of Bitcoin

Change in fair value of Bitcoin was a loss of \$0.3 million and a gain of \$0.7 million for the years ended December 31, 2025 and 2024, respectively. The aggregate gain or loss was the change in fair value of Bitcoin held, as well as the gains and losses from when Bitcoin was sold.

Impairment of Other Assets

Impairment of other assets was \$0.3 million and \$1.1 million for the years ended December 31, 2025 and 2024, respectively. For the year ended December 31, 2025, an impairment of \$0.3 million was recorded for the remaining portion of the Rebel Mining Company settlement that is in default. For the year ended December 31, 2024, an impairment of \$0.9 million was recorded related to prepaid service fees held by Rebel Mining Company, and a \$0.2 million impairment for an uncollectible other receivable.

Non-Operating Income and Expenses

Investment Income

Investment income was \$0.4 million and \$9.0 million for the years ended December 31, 2025 and 2024, respectively, and related to realized and unrealized gains on our equity investment in Core Scientific Inc.

Other Income, Net

Other income, net, was \$0.1 million and \$3.1 million for the years ended December 31, 2025 and 2024, respectively. The change of \$3.0 million was primarily related to prior year income of \$3.0 million for the early termination of a hosting agreement and not recurring in the current year.

Liquidity and Capital Resources

Our principal sources of liquidity are our existing cash, cash equivalents, and our At-the-Market (“ATM”) facility. We expect to fund our operations going forward with existing cash resources, anticipated revenue from our Bitcoin mining operation, and cash that we may raise through future financing transactions. At December 31, 2025, we had cash and cash equivalents of \$3.7 million compared to \$5.4 million at December 31, 2024. As of December 31, 2025, we had working capital of \$6.9 million, reflecting a decrease in current assets of \$9.1 million primarily related to the sale of our investment in equity securities, and a decrease in current liabilities of \$2.1 million primarily related to a decrease in accounts payable, accrued liabilities and employee compensation.

Warrant Inducement. On October 16, 2025, we entered into a warrant inducement agreement with an existing institutional investor to us for the immediate exercise of the November 19, 2024 warrants to purchase 436,823 common shares (the “Existing Warrants”) of the Company. The Existing Warrants had an exercise price of \$15.00 and were exercised at a reduced exercise price of \$9.40 for total gross cash proceeds of \$4.1 million, before deducting financial advisor fees and other transaction expenses of \$0.4 million. We used the net proceeds from the offering for the purchase or upgrade of our Bitcoin mining fleet, and other general corporate purposes.

At-the-Market Offering Program. On January 3, 2025, we entered into a sales agreement (the “AGP Agreement”) with A.G.P./Alliance Global Partners (the “Sales Agent”). In accordance with the terms of the AGP Agreement, we may offer and sell from time to time through or to the Sales Agent, as agent or principal, our common shares having an aggregate offering price of up to \$8.0 million (the “Placement Shares”). The AGP Agreement can be terminated by either party by giving two days written notice. We expect that any proceeds received from the facility will be used primarily for working capital and general corporate purposes and in furtherance of our corporate strategy which may include to accelerate efficiency, for the purchase/upgrade of our mining fleet, and vertical integration of infrastructure.

Neither us nor the Sales Agent are obligated to sell any Placement Shares pursuant to the AGP Agreement. Subject to the terms and conditions of the AGP Agreement, the Sales Agent will use commercially reasonable efforts, consistent with its normal trading and sales practices and applicable state and federal law, rules and regulations and the rules of The Nasdaq Capital Market (“Nasdaq”), to sell the Placement Shares from time to time based upon our instructions, including any price, time or size limits or other customary parameters or conditions we may impose. Sales of the Placement Shares, if any, will be made on Nasdaq at market prices by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended. For the year ended December 31, 2025, through the At-the-Market Offering program 112,791 common shares were issued for net proceeds of \$0.7 million.

Management has projected that based on our recurring losses, negative cash flows from operating activities, and our hashing rate at December 31, 2025, cash on hand may not be sufficient to allow us to continue operations and there is substantial doubt about our ability to continue as a going concern within 12 months from the date of issuance of our financial statements if we are unable to raise additional funding for operations. We expect our working capital needs to increase in the future as we continue to expand and enhance our operations. Our ability to raise additional funds for working capital through equity or debt financings or other sources may depend on the financial success of our business and successful implementation of our key strategic initiatives, financial, economic and market conditions and other factors, some of which are beyond our control. We require additional capital and if we are unsuccessful in raising that capital at a reasonable cost and at the required times, or at all, we may not be able to continue our business operations in the cryptocurrency mining industry or we may be unable to advance our growth initiatives, either of which could adversely impact our business, financial condition and results of operations. In an effort to mitigate these risks we are taking steps to lower our cost of mining and also refresh our mining fleet to increase our mining efficiency.

Significant changes from our current forecasts, including but not limited to: (i) shortfalls from projected mining earning levels; (ii) increases in operating costs; (iii) decreases in the value of cryptocurrency; and (iv) if we do not maintain compliance with the requirements of Nasdaq and/or we do not maintain our listing with Nasdaq it could have a material adverse impact on our ability to access the level of funding necessary to continue our operations at current levels. These factors, among others, should they occur may result in our inability to continue as a going concern within 12 months from the date of issuance of our financial statements. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and do not include any adjustments that might result from the outcome of this uncertainty.

The following table shows a summary of our cash flows (used in) provided by operating activities, investing activities and financing activities (in thousands):

	Year Ended December 31,	
	2025	2024
Net cash used in operating activities	\$ (16,118)	\$ (4,576)
Net cash provided by investing activities	\$ 9,992	\$ 4,028
Net cash provided by financing activities	\$ 4,408	\$ 5,387

Net cash used in operating activities. The use of cash during 2025 was primarily a result of our net loss of \$21.5 million, offset by \$17.0 million in noncash items, which primarily included an impairment of property and equipment, a realized gain on sale of investment in equity securities, depreciation and amortization, share-based compensation expense, loss on disposal of property and equipment, provision for loss on other assets, change in fair value of Bitcoin, and nonemployee share-based compensation performance award expense.

Net cash provided by investing activities. During 2025, we received \$9.0 million from proceeds from the sale of Bitcoin, \$8.0 million from proceeds from the sale of investment in equity securities, and \$0.6 million for the sale of miners originally included in mining equipment, offset by \$7.5 million of payments for the purchase of property and equipment consisting of newer generation mining machines and infrastructure for our Iowa Site completed in 2025. During 2024, we received \$11.4 million from proceeds from the sale of investment in equity securities and \$1.5 million from proceeds from the sale of Bitcoin, offset by \$7.1 million of payments for the purchase of property and equipment consisting of newer generation mining machines and \$1.8 million in payments for construction in progress primarily for our Iowa Site completed in 2025.

Net cash provided by financing activities. During 2025, we received \$3.7 million of net proceeds from a warrant inducement transaction, and we received \$0.7 million of net proceeds from the issuance of common shares through our At-the-Market Offering program. During 2024, we received \$5.4 million, net, from the issuance of common shares and warrants.

Off-Balance Sheet Information

During the ordinary course of business, we may provide standby letters of credit to third parties as required for certain transactions initiated by us. As of December 31, 2025, we have no standby letters of credit outstanding.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The preparation of our consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. We review our estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management has determined that there are no critical accounting estimates that require disclosure. Our significant accounting policies are outlined in *Note 2 to the Consolidated Financial Statements* included in this Annual Report on Form 10-K.

Recent Accounting Pronouncements

Refer to *Note 2, Summary of Significant Accounting Policies*, to our consolidated financial statements for a discussion of recent accounting pronouncements and their effect, if any, on us.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide the information required by this Item.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements and supplementary data required by this item are set forth at the pages indicated in Item 15(a)(1) and 15(a)(2), respectively.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures**Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) or 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective to give reasonable assurance that information required to be publicly disclosed is recorded, processed, summarized and reported on a timely basis as of the end of the period covered by this annual report.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over our financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, management has conducted an assessment, including testing, using the criteria in the updated Internal Control-Integrated Framework, issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Our system of internal control over financial reporting is designed 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.

Based on our evaluation under the framework in Internal Control-Integrated Framework, our Chief Executive Officer and Chief Accounting Officer concluded that our internal control over financial reporting was effective as of December 31, 2025. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and that the degree of compliance with the policies or procedures may deteriorate.

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report on internal control over financial reporting was not subject to attestation by our independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report.

This report on internal control over financial reporting shall not be deemed to be filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, and is not incorporated by reference into any of our filings, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the last fiscal quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2025, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-rule 10b5-1 trading arrangement (as such terms are defined pursuant to Item 408 of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission (“SEC”) no later than 120 days after December 31, 2025.

Insider Trading Policy: We have adopted an Insider Trading Policy which governs the purchase, sale, and/or other dispositions of our securities by directors, officers, employees, and other covered persons and is designed to promote compliance with insider trading laws, rules, and regulations, and listing standards applicable to us. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2025.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2025.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2025.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2025.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) Documents filed as part of this report.

(1) Financial Statements.

Report of Independent Registered Public Accounting Firm (PCAOB ID 206)	F-1
Consolidated Balance Sheets as of December 31, 2025 and 2024	F-3
Consolidated Statements of Operations for the Years Ended December 31, 2025 and 2024	F-4
Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2025 and 2024	F-5
Consolidated Statements of Shareholders' Equity for the Years Ended December 31, 2025 and 2024	F-6
Consolidated Statements of Cash Flows for the Years Ended December 31, 2025 and 2024	F-7
Notes to Consolidated Financial Statements	F-9

(2) Financial Statement Schedules.

Schedules not listed above have been omitted because they are not applicable or are not required or the information required to be set forth therein is included in the consolidated financial statements or notes thereto.

(3) Exhibits.

List of Exhibits required by Item 601 of Regulation S-K. See part (b) below.

(b) Exhibits

Exhibit Number	Description	Filed Herewith	Incorporated by Reference		
			Form	File No.	Date Filed
3.1	Certificate and Articles of Amalgamation		6-K	001-36532	3/25/2015
3.2	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		6-K	001-36532	7/17/2017
3.3	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	10/2/2018
3.4	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	11/5/2018
3.5	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	11/14/2018
3.6	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	7/12/2019
3.7	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	11/8/2019
3.8	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	5/8/2020
3.9	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	9/29/2020
3.10	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		6-K	001-36532	1/7/2021
3.11	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		6-K	001-36532	7/15/2021
3.12	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		6-K	001-36532	10/4/2021
3.13	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	6/28/2023
3.14	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	2/12/2026
3.15	By-Law No. 1, as Amended		6-K	001-36532	7/17/2017
3.16	By-Law No. 1 Amending Agreement		6-K	001-36532	2/1/2022
3.17	By-Law No. 1 Amending Agreement		8-K	001-36532	1/13/2023
3.18	By-Law No. 2		6-K	001-36532	5/12/2017
4.1	Specimen Certificate evidencing Common Shares	X			
4.2	Description of Securities	X			
4.6	Form of Warrant		6-K	001-36532	9/9/2021
4.8	Common Share Purchase Warrant issued by Sphere 3D Corp. to LDA Capital Limited on April 17, 2023		8-K	001-36532	4/21/2023
4.9	Form of Warrant		8-K	001-36532	8/14/2023
4.10	Form of Warrant		8-K/A	001-36532	8/23/2023
4.11	Form of Warrant		8-K	001-36532	10/17/2025
10.1+	Sphere 3D Corp. 2015 Performance Incentive Plan, as amended		S-8	333-279866	5/31/2024
10.2+	Form of Executive Stock Option Agreement		10-K	001-36532	3/21/2018
10.3+	Sphere 3D Corp. 2025 Performance Incentive Plan		S-8	333-288321	6/25/2025

Exhibit Number	Description	Filed Herewith	Incorporated by Reference		
			Form	File No.	Date Filed
10.4+	Form of Nonqualified Stock Option Agreement		10-Q	333-288321	8/5/2025
10.5+	Form of Restricted Stock Unit Agreement		10-Q	333-288321	8/5/2025
10.6+	Form of Officer and Director Indemnity Agreement		10-K	001-36532	4/1/2019
10.7+	Third Amended and Restated Employment Agreement between Sphere 3D Corp. and Kurt Kalbfleisch dated November 11, 2025		8-K	001-36532	11/13/2025
10.8+	Employment Agreement between Sphere 3D Corp. and Tiah Reppas dated December 17, 2025		8-K	001-36532	12/22/2025
10.9	Securities Purchase Agreement, by and among Sphere 3D Corp. and the investors identified on the signature pages thereto, dated September 2, 2021		6-K	001-36532	9/9/2021
10.10	Securities Purchase Agreement between Sphere 3D Corp. and LDA Capital Limited, dated April 17, 2023		8-K	001-36532	4/21/2023
10.11	Form of Purchase Agreement dated August 23, 2023		8-K/A	001-36532	8/23/2023
10.12	Form of Securities Purchase Agreement dated November 19, 2024		8-K	001-36532	11/21/2024
10.13	Placement Agent Agreement entered into by and between Sphere 3D Corp. and the Placement Agent, dated November 19, 2024		8-K	001-36532	11/21/2024
10.14	Sales Agreement, dated as of January 3, 2025, by and between Sphere 3D Corp. and A.G.P./Alliance Global Partners		8-K	001-36532	1/3/2025
10.15	Form of Inducement Agreement		8-K	001-36532	10/17/2025
10.16	Financial Advisory Agreement dated October 16, 2025 by and between Sphere 3D Corp. and the Financial Advisor		8-K	001-36532	10/17/2025
10.17#	Hosting Agreement between Sphere 3D Corp. and Joshi Petroleum, LLC dated October 18, 2023		S-3/A	001-36532	7/24/2024
14.1	Code of Business Conduct and Ethics Policy		6-K	001-36532	4/1/2015
19.1	Sphere 3D Corp. Insider Trading Policy		10-K	001-36532	3/28/2025
21.1	Subsidiaries of Registrant	X			
23.1	Consent of Independent Registered Public Accounting Firm	X			
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
31.2	Certification of Chief Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
32.2	Certification of Chief Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
97.1	Executive Compensation Clawback Policy		10-K	001-36532	3/28/2025
101.INS	XBRL Instance Document - the instance document does not appear in the interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X			
101.SCH	XBRL Taxonomy Extension Schema	X			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	X			

Exhibit Number	Description	Filed Herewith	Incorporated by Reference		
			Form	File No.	Date Filed
101.DEF	XBRL Taxonomy Extension Definition Linkbase	X			
101.LAB	XBRL Taxonomy Extension Label Linkbase	X			
101.PRE	XBRL Taxonomy Presentation Linkbase	X			
104	Cover Page Interactive Data File (formatted as inline XBRL as contained in Exhibit 101)	X			

+ Management contract or compensation plan or arrangement.

Certain confidential portions of this Exhibit were omitted pursuant to Item 601(b)(10)(iv) by means of marking such portions with brackets (“[***]”); the identified confidential portions (i) are not material and (ii) are customarily and actually treated as private or confidential.

ITEM 16. FORM 10-K SUMMARY

None.

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.

Sphere 3D Corp.

/s/ Kurt L. Kalbfleisch

Kurt L. Kalbfleisch

Chief Executive Officer

Date: March 27, 2026

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Kurt L. Kalbfleisch severally as their attorney-in-fact, each with the power of substitution, for him in any and all capacities, to sign any amendments to this annual report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof. Pursuant to the requirements of the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ KURT L. KALBFLEISCH</u> Kurt L. Kalbfleisch	Chief Executive Officer (Principal Executive and Financial Officer)	March 27, 2026
<u>/s/ TIAH REPPAS</u> Tiah Reppas	Chief Accounting Officer (Principal Accounting Officer)	March 27, 2026
<u>/s/ TIMOTHY HANLEY</u> Timothy Hanley	Director	March 27, 2026
<u>/s/ SUSAN S. HARNETT</u> Susan S. Harnett	Director	March 27, 2026
<u>/s/ DUNCAN J. MCEWAN</u> Duncan J. McEwan	Director	March 27, 2026



SPHERE 3D CORP.

For the Years Ended December 31, 2025 and 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Sphere 3D Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sphere 3D Corp. and its subsidiaries (collectively, the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive loss, shareholders’ equity, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and does not expect to have sufficient cash on hand to fund its operations that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Bitcoin Mining Revenue

As disclosed in Note 2 to the consolidated financial statements, the Company accounts for revenue in accordance with Topic 606, Revenue from Contracts with Customers. The Company provides a service to perform hash calculations to a third-party operated mining pool and in exchange for providing the service, the Company earns non-cash consideration in the form of bitcoin based on the Full-Pay-Per-Share (“FPPS”) payout method set forth by the mining pool operator. Bitcoin mining revenue is comprised of the block reward and transaction fees earned by the Company net of the mining pool fees charged by the mining pool operator. During the years ended December 31, 2025 and 2024, the Company recognized bitcoin mining revenue of approximately \$11.2 million and \$16.6 million, respectively.

We identified the auditing of mining revenue as a critical audit matter due to the nature and extent of audit effort required to perform audit procedures over the Company’s hash calculation service provided to the mining pool operator, the associated contractual payouts including the blockchain contractual inputs, the Company’s valuation of bitcoin received from the mining pool operator and evaluating the results of those procedures.

The primary procedures we performed to address this critical audit matter included the following:

- We independently confirmed with the mining pool operator the significant contractual terms utilized in the determination of mining revenue, total mining rewards earned by the Company, and the Company’s digital asset wallet addresses in which the rewards are deposited.
- Using the Company’s digital asset wallet addresses confirmed by the mining pool operator, we reconciled mining revenue earned from and paid by the mining pool operator against on-chain transactions independently obtained from the blockchain.
- We evaluated the reasonableness of the prices utilized by the Company to value bitcoin by obtaining independent bitcoin prices and comparing those to the prices used by the Company.
- We recalculated the Company’s recorded mining revenue per the calculation prescribed in the FPPS payout method, based on the hash calculation service provided to the mining pool operator, using independently obtained blockchain contractual inputs and independent bitcoin prices.
- We undertook an analytical review of total mining revenue by developing an expectation of the hashrate contributed to the mining pool operator and the mining revenue earned, and compared our expectation to the amount recorded by the Company.

/s/ MaloneBailey, LLP

www.malonebailey.com

We have served as the Company’s auditor since 2022.

Houston, Texas

March 27, 2026

Sphere 3D Corp.
Consolidated Balance Sheets
(in thousands of U.S. dollars, except shares)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,707	\$ 5,425
Bitcoin	3,263	1,394
Investment in equity securities	—	7,530
Other current assets	1,707	3,438
Total current assets	8,677	17,787
Property and equipment, net	14,608	21,967
Intangible assets, net	1,610	3,095
Other non-current assets	225	379
Total assets	<u>\$ 25,120</u>	<u>\$ 43,228</u>
Liabilities, Temporary Equity and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 427	\$ 1,167
Accrued liabilities	544	1,299
Accrued payroll and employee compensation	831	1,398
Other current liabilities	—	31
Total current liabilities	1,802	3,895
Commitments and contingencies (Note 13)		
Temporary equity:		
Series H preferred shares, no par value, unlimited shares authorized, 161 shares issued and outstanding as of both December 31, 2025 and 2024	18	18
Shareholders' equity:		
Common shares, no par value; unlimited shares authorized, 3,392,541 and 2,545,342 shares issued and outstanding as of December 31, 2025 and 2024, respectively	503,414	497,957
Accumulated other comprehensive loss	(1,811)	(1,821)
Accumulated deficit	(478,303)	(456,821)
Total shareholders' equity	23,300	39,315
Total liabilities, temporary equity, and shareholders' equity	<u>\$ 25,120</u>	<u>\$ 43,228</u>

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Consolidated Statements of Operations
(in thousands of U.S. dollars, except share and per share amounts)

	Year Ended December 31,	
	2025	2024
Revenues:		
Bitcoin mining revenue	\$ 11,181	\$ 16,608
Operating costs and expenses:		
Cost of revenue (exclusive of depreciation and amortization shown below)	8,554	13,378
General and administrative	8,266	12,445
Depreciation and amortization	6,878	7,113
Impairment of property and equipment	7,185	1,146
Loss on disposal of property and equipment	1,652	3,545
Change in fair value of Bitcoin	345	(682)
Impairment of other assets	300	1,074
Total operating costs and expenses	33,180	38,019
Loss from operations	(21,999)	(21,411)
Other income (expense):		
Investment gain	438	8,980
Other income, net	81	3,111
Net loss before taxes	(21,480)	(9,320)
Provision for income taxes	2	150
Net loss	<u>\$ (21,482)</u>	<u>\$ (9,470)</u>
Net loss per share:		
Basic and diluted	<u>\$ (7.37)</u>	<u>\$ (4.78)</u>
Shares used in computing net loss per share:		
Basic and diluted	<u>2,914,607</u>	<u>1,980,163</u>

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Consolidated Statements of Comprehensive Loss
(in thousands of U.S. dollars)

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Net loss	\$ (21,482)	\$ (9,470)
Other comprehensive loss:		
Foreign currency translation adjustment	10	(13)
Total other comprehensive loss	10	(13)
Comprehensive loss	<u>\$ (21,472)</u>	<u>\$ (9,483)</u>

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Consolidated Statements of Shareholders' Equity
(in thousands of U.S. dollars, except shares)

	Common Shares		Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance at January 1, 2024	1,537,368	\$ 475,702	\$ (1,808)	\$ (447,371)	\$ 26,523
Cumulative adjustment from adoption of ASU 2023-08	—	—	—	20	20
Issuance of common shares for conversion of preferred shares	619,348	13,775	—	—	13,775
Issuance of common shares and warrants, net	235,000	5,387	—	—	5,387
Issuance of common shares pursuant to the vesting of restricted stock units	105,531	—	—	—	—
Exercise of warrants	28,136	—	—	—	—
Issuance of common shares for settlement of liabilities	19,959	255	—	—	255
Share-based compensation	—	2,838	—	—	2,838
Other comprehensive loss	—	—	(13)	—	(13)
Net loss	—	—	—	(9,470)	(9,470)
Balance at December 31, 2024	2,545,342	497,957	(1,821)	(456,821)	39,315
Issuance of common shares, net	112,791	685	—	—	685
Issuance of common shares pursuant to vesting of restricted stock units, net of shares withheld for income taxes	138,185	232	—	—	232
Issuance and exercise of warrants	596,223	3,708	—	—	3,708
Share-based compensation	—	832	—	—	832
Other comprehensive income	—	—	10	—	10
Net loss	—	—	—	(21,482)	(21,482)
Balance at December 31, 2025	<u>3,392,541</u>	<u>\$ 503,414</u>	<u>\$ (1,811)</u>	<u>\$ (478,303)</u>	<u>\$ 23,300</u>

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Consolidated Statements of Cash Flows
(in thousands of U.S. dollars)

	Year Ended December 31,	
	2025	2024
Operating activities:		
Net loss	\$ (21,482)	\$ (9,470)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment of property and equipment	7,185	1,146
Depreciation and amortization	6,878	7,113
Realized gain on sale of investment in equity securities	(5,355)	(4,063)
Unrealized (gain) loss on investment in equity securities	4,917	(4,917)
Loss on disposal of property and equipment	1,652	3,545
Share-based compensation	832	2,838
Change in fair value of Bitcoin	345	(682)
Impairment of other assets	300	1,074
Issuance of common shares to nonemployees	232	—
Change in fair value of warrant liabilities	(31)	(174)
Bitcoin issued for services	—	538
Changes in operating assets and liabilities:		
Proceeds from sale of Bitcoin	—	14,842
Mining of Bitcoin	(11,181)	(16,608)
Accounts payable and accrued liabilities	(833)	(262)
Accrued payroll and employee compensation	(567)	171
Other assets	980	453
Other liabilities	10	(120)
Net cash used in operating activities	<u>(16,118)</u>	<u>(4,576)</u>
Investing activities:		
Proceeds from sale of Bitcoin	8,967	1,522
Proceeds from sale of equity investment	7,969	11,450
Payments for purchase of property and equipment	(7,499)	(8,944)
Proceeds from sale of property and equipment	555	—
Net cash provided by investing activities	<u>9,992</u>	<u>4,028</u>
Financing activities:		
Proceeds from exercise of warrants	4,106	—
Proceeds from issuance of common shares and warrants	733	5,495
Payments for issuance costs for common shares and warrants	(431)	(108)
Net cash provided by financing activities	<u>4,408</u>	<u>5,387</u>
Net (decrease) increase in cash, and cash equivalents	<u>(1,718)</u>	<u>4,839</u>
Cash, and cash equivalents, beginning of year	5,425	586
Cash, and cash equivalents, end of year	<u>\$ 3,707</u>	<u>\$ 5,425</u>

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Consolidated Statements of Cash Flows continued
(in thousands of U.S. dollars)

	Year Ended December 31,	
	2025	2024
Supplemental disclosures of cash flow information:		
Cash paid for foreign income taxes	\$ 74	\$ 16
Cash paid for interest	\$ —	\$ 323
Supplemental disclosures of noncash investing and financing activities:		
Property and equipment exchanged for settlement of liabilities	\$ 1,571	\$ 825
Property and equipment received by settlement of other assets	\$ 100	\$ —
Settlement of prepaid hosting services deposit with equity securities	\$ —	\$ 10,000
Issuance of common shares for settlement of liabilities	\$ —	\$ 255

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Notes to Consolidated Financial Statements

1. Organization and Business

Sphere 3D Corp. was incorporated under the *Business Corporations Act (Ontario)* on May 2, 2007 as T.B. Mining Ventures Inc. On March 24, 2015, the Company completed a short-form amalgamation with a wholly-owned subsidiary. In connection with the short-form amalgamation, the Company changed its name to “Sphere 3D Corp.” Any reference to the “Company”, “Sphere 3D”, “we”, “our”, “us”, or similar terms refers to Sphere 3D Corp. and its subsidiaries. In January 2022, the Company commenced operations of its Bitcoin mining business and is dedicated to becoming a leader in the blockchain and cryptocurrency industry. The Company has established and plans to continue to grow an enterprise-scale mining operation through the procurement of mining equipment and partnering with experienced service providers.

Share Consolidation

On February 9, 2026, the Company filed an Articles of Amendment to effect a share consolidation (also known as a reverse stock split) of its issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. The Company’s common shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026. All share and per share amounts have been restated for all periods presented to reflect the share consolidation.

Going Concern

Management has projected that based on our recurring losses, negative cash flows from operating activities, and our hashing rate at December 31, 2025, cash on hand may not be sufficient to allow the Company to continue operations and there is substantial doubt about the Company’s ability to continue as a going concern within 12 months from the date of issuance of its financial statements if we are unable to raise additional funding for operations. We expect our working capital needs to increase in the future as we continue to expand and enhance our operations. Our ability to raise additional funds for working capital through equity or debt financings or other sources may depend on the financial success of our business and successful implementation of our key strategic initiatives, financial, economic and market conditions and other factors, some of which are beyond our control. We require additional capital and if we are unsuccessful in raising that capital at a reasonable cost and at the required times, or at all, we may not be able to continue our business operations in the cryptocurrency mining industry or we may be unable to advance our growth initiatives, either of which could adversely impact our business, financial condition and results of operations. In an effort to mitigate these risks we are taking steps to lower our cost of mining and also refresh our mining fleet to increase our mining efficiency.

Significant changes from our current forecasts, including but not limited to: (i) shortfalls from projected mining earning levels; (ii) increases in operating costs; (iii) decreases in the value of cryptocurrency; and (iv) if we do not maintain compliance with the requirements of The Nasdaq Capital Market (“Nasdaq”) and/or we do not maintain our listing with Nasdaq it could have a material adverse impact on the Company’s ability to access the level of funding necessary to continue its operations at current levels. These factors, among others, should they occur may result in the Company’s inability to continue as a going concern within 12 months from the date of issuance of its financial statements. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and do not include any adjustments that might result from the outcome of this uncertainty.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of the Company have been prepared by management in accordance with accounting principles generally accepted in the United States of America (“GAAP”), applied on a basis consistent for all periods. Subsidiaries in which controlling interests are maintained are consolidated. All intercompany balances and transactions have been appropriately eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Foreign Currency Translation

The financial statements of the Company's subsidiary, for which the functional currency is the local currency, is translated into U.S. dollars using the exchange rate at the consolidated balance sheet date for assets and liabilities and a weighted-average exchange rate during the year for revenue, expenses, gains and losses. Translation adjustments are recorded as accumulated other comprehensive income (loss) within shareholders' equity. Gains or losses from foreign currency transactions are recognized in the consolidated statements of operations. Such transactions resulted in a minimal loss for both the years ended December 31, 2025 and 2024.

Cash and Cash Equivalents

Highly liquid investments with insignificant interest rate risk and original maturities of three months or less, when purchased, are classified as cash equivalents. Cash equivalents are composed of money market funds. Cash and cash equivalents that exceed federally insured limits are maintained with financial institutions. The Company has not experienced any losses related to these balances and believes credit risk to be minimal.

Investment in Equity Securities

The Company's investments were in publicly held equity securities which had readily determinable fair values. These equity investments were recorded at fair value with unrealized holding gains and losses recorded in other income or expense in the consolidated statements of operations.

Bitcoin

Bitcoin is included in current assets in the consolidated balance sheets as the Company has the ability to sell it in a highly liquid marketplace, and the sale of Bitcoin is used to fund operating expenses to support operations. Bitcoin is expected to be realized in cash or sold during the Company's normal operating cycle. Bitcoin held are accounted for as intangible assets with indefinite useful lives. Bitcoin awarded to the Company through its mining activities was included within operating activities on the consolidated statements of cash flows. The proceeds from the sale of Bitcoin are included within operating or investing activities in the consolidated statements of cash flows depending on the length of time the Bitcoin is held. Bitcoin is valued at fair value at the end of each reporting period with changes in fair value recorded in operating expenses in the consolidated statements of operations. The fair value of Bitcoin is measured using the period-end closing price from the Company's principal market. When Bitcoin is sold, the gains and losses from such transactions are measured as the difference between the cash proceeds and the carrying basis of the Bitcoin as determined on a first in-first out ("FIFO") basis and are recorded within the same line item, Change in Fair Value of Bitcoin, in the consolidated statements of operations. Effective January 1, 2024, the Company early adopted ASU 2023-08 and recorded a \$20,000 decrease to the opening balance of accumulated deficit and an increase to Bitcoin.

Property and Equipment

Property and equipment primarily consists of mining equipment and infrastructure and is stated at cost, including purchase price, shipping and custom fees, and is depreciated using the straight-line method over the estimated useful lives of the assets, generally three years to ten years.

The carrying amounts of property and equipment are reviewed when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the fair value of the asset is estimated in order to determine the extent of the impairment loss, if any.

Intangible Assets

For intangible assets purchased in a business combination, the estimated fair values of the assets received are used to establish their recorded values. For intangible assets acquired in a non-monetary exchange, the estimated fair values of the assets transferred (or the estimated fair values of the assets received, if more clearly evident) are used to establish their recorded values. Valuation techniques consistent with the market approach, income approach and/or cost approach are used to measure fair value.

Supplier agreements are amortized on a straight-line basis over their economic lives of five years as this method most closely reflects the pattern in which the economic benefits of the assets will be consumed.

Impairment of Intangible Assets

Regular reviews of intangible assets are performed to determine if any event has occurred that may indicate that intangible assets with finite useful lives and other long-lived assets are potentially impaired. Triggering events for impairment reviews may be indicators such as adverse industry or economic trends, restructuring actions, lower projections of profitability, or a sustained decline in the Company's market capitalization. Intangible assets are quantitatively assessed for impairment, if necessary, by comparing their estimated fair values to their carrying values. If the carrying value exceeds the fair value, the difference is recorded as an impairment.

Warrants

Warrants are accounted for as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance. Warrants that meet the definition of a derivative financial instrument, and that also meet the equity scope exception criteria, are classified as equity. Equity classified warrants are recorded at their initial fair value and are not subject to fair value remeasurement provided that the criteria for equity classification continues to be met. Warrants that are classified for liabilities are accounted for at fair value on the consolidated balance sheets, subject to fair value remeasurement at each balance sheet date with changes in fair value recognized in other income, net in the consolidated statements of operations. Warrant liabilities include a common share purchase warrant issued in connection with previously outstanding convertible debt. The classification of warrants, including whether warrants should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. The fair value of both equity-classified and liability-classified warrants are determined using the Black-Scholes options pricing model ("Black-Scholes model") which includes Level 3 inputs.

Revenue Recognition

Revenue is accounted for pursuant to ASU 2014-09, *Revenue from Contracts with Customers* and all the related amendments ("Topic 606"). Under Topic 606, an entity is required to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, and contract consideration will be recognized on a "sell-in basis" or when control of the purchased goods or services transfer to the distributor.

The Company is engaged with Bitcoin mining pool operators, its customers, to provide a service to perform hash calculations for the mining pool operator, which is the Company's only performance obligation. Providing hash calculation services is an output of the Company's ordinary activities. The Company has a service agreement with Foundry Digital LLC, a cryptocurrency mining pool operator, to provide a service to perform hash calculations. In exchange for providing the service, the Company is entitled to Full Pay Per Share ("FPPS"), which is a fractional share of the fixed Bitcoin award the mining pool operator receives, plus a fractional share of the transaction fees attached to that blockchain less net Bitcoin fees due to the mining pool operator over the measurement period, as applicable. The pay-outs received are based on the expected value from the block reward plus the transaction fee reward, regardless of whether the mining pool operator successfully records a block to the blockchain.

The Company's fractional share is based on a contractual formula, which primarily calculates the hashrate provided to the mining pool as a percentage of total network hashrate and other inputs. The contracts, which are less than 24 hours and continuously renew throughout the day, are terminable at any time by either party without compensation and the Company's enforceable right to compensation only begins when the Company starts providing the service to the mining pool operator, which begins daily at midnight Universal Time Coordinated ("UTC"). The terms, conditions, and compensation are at the current market rates, and accordingly the renewal option is not a material right. The contract arises at the point that the Company provides hash calculation services to the mining pool operator, which is the beginning of the contract day at midnight UTC time (contract inception), as customer consumption is in tandem with daily earnings of delivery of the service. According to the customer contract, daily earnings are calculated from midnight-to-23:59:59 UTC time, and the payout is made one hour later at 1:00 AM UTC time.

The Company satisfies its performance obligation over time with daily settlement in Bitcoin. The Company's performance is completed as it transfers the hashrate computations over the continuously renewed contract periods, which are less than 24 hours. The Company has full control of the mining equipment utilized in the mining pool and if the Company determines it will increase or decrease the processing power of its machines and/or fleet (i.e., for repairs or when power costs are excessive) the service provided to the customer will be adjusted.

The transaction consideration the Company receives is noncash consideration in the form of Bitcoin, which the Company measures at fair value at contract inception, midnight UTC time. The noncash consideration is variable, since the amount of block reward earned depends on the amount of hash calculation services, the amount of transaction fees awarded, and operator fees over the same period. The Company does not constrain this variable consideration because it is probable that a significant reversal in the amount of revenue recognized from the contract will not occur when the uncertainty is subsequently resolved and recognizes the noncash consideration on the same day that control is transferred, which is the same day as contract inception. The fair value used to calculate the noncash consideration is based on the Bitcoin spot price in the Company's principal market at the beginning of the day (midnight UTC time) at contract inception. Expenses associated with running the Bitcoin mining operations, such as hosting, operating supplies, utilities, and monitoring services are recorded as cost of revenues.

Operating Segment

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), or decision-making group, in deciding how to allocate resources and assess performance. The Company's CODM is the Chief Executive Officer. The Company operates as one operating segment and uses net income or loss as a measure of profit or loss on a consolidated basis in making decisions regarding resource allocation and performance assessment. Additionally, the CODM regularly reviews the Company's expenses on a consolidated basis. The financial metrics used by the CODM help make key operating decisions, such as determination of capital expenditure purchases and significant acquisitions and allocation of budget between cost of revenues and general and administrative expenses. The measure of segment assets is reported on the consolidated balance sheet as total consolidated assets. The significant expense categories regularly provided to the CODM include cost of revenue, general and administrative expenses, depreciation and amortization, impairment of property and equipment, and change in fair value of Bitcoin. These expense categories are reported as separate line items in the consolidated statements of operations.

Income Taxes

Income taxes are provided for by utilizing the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes generally represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial and tax basis of assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when a judgment is made that it is considered more likely than not that a tax benefit will not be realized. A decision to record a valuation allowance results in an increase in income tax expense or a decrease in income tax benefit. If the valuation allowance is released in a future period, income tax expense will be reduced accordingly.

The calculation of tax liabilities involves evaluating uncertainties in the application of complex global tax regulations. The impact of an uncertain income tax position is recognized at the largest amount that is "more likely than

not” to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

Comprehensive Income (Loss)

Comprehensive income (loss) and its components encompass all changes in equity other than those arising from transactions with shareholders, including net income (loss) and foreign currency translation adjustments, and is disclosed in the condensed consolidated statements of comprehensive income (loss).

Concentration Risk

The Company maintains its cash and cash equivalent balances with three major commercial banks. Deposits held with the financial institutions exceed the amount of insurance provided on such deposits. The Company is exposed to credit risk in the event of a default by the financial institutions holding the cash and cash equivalents to the extent recorded on the consolidated balance sheets. The accounts offered by the custodian of the Company’s Bitcoin are not insured by the Federal Deposit Insurance Corporation (FDIC). There have not been any losses in such accounts.

There are certain customers who individually represented 10% or more of the Company’s revenue. During the years ended December 31, 2025 and 2024, revenue was concentrated with one mining pool operator, Foundry Digital LLC, and all Bitcoin resided with one custodian. In the prior year, the Company also had a service agreement with an additional mining pool operator, Luxor Technology Corporation.

The Company is dependent on a small number of Bitcoin mining equipment suppliers to provide a supply of new generation Bitcoin mining machines. The growth in the Company’s business is directly related to increased demand for hosting services and Bitcoin which is dependent in large part on the availability of new generation mining machines offered for sale at a price conducive to profitable Bitcoin mining. As more companies seek to enter the mining industry, the demand for machines may outpace supply and create mining machine equipment shortages. Currently there is not an agreement with suppliers to purchase additional machines, and therefore there is no guarantee that the Company will be able to purchase machines on terms acceptable to it.

Share-based Compensation

Share-based awards, and similar equity instruments, granted to employees, non-employee directors, and consultants are accounted for in accordance with the authoritative guidance for share-based compensation. Share-based compensation award types may include stock options and restricted stock units (“RSUs”), restricted stock awards (“RSAs”), and performance stock units (“PSUs”). Share-based compensation expense is recognized on a straight-lined basis over the requisite service period (usually the vesting period) except for options with graded vesting which is recognized pursuant to an accelerated method. Share-based compensation expense for an award with a performance condition is recognized when the achievement of such performance condition is determined to be probable. If the outcome of such performance condition is not determined to be probable or is not met, no compensation expense is recognized and any previously recognized compensation expense is reversed. Forfeitures are recognized as a reduction of share-based compensation expense as they occur.

Adoption and Pending Adoption of Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) that are adopted by the Company as of the specified effective date. If not discussed, the Company believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company’s consolidated financial statements upon adoption.

In September 2025, the FASB issued accounting standards update (“ASU”) No. 2025-07, *Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Scope Clarification and Accounting for Certain Contracts and Customer Share-Based Consideration* (“ASU 2025-07”), which narrows the types of contracts subject to derivative accounting by excluding those whose payouts depend solely on an entity’s own operational metrics, rather than market-based variables, and clarifies that share-based or warrant consideration received from a customer is accounted for under Topic 606 until the right to retain the instrument is unconditional, after which the guidance in Topic 815 and 321 applies. The amendments are effective for annual periods beginning after December 15, 2026, which early adoption permitted, and may be applied prospectively or on a modified retrospective basis with an option to elect or

revoke the fair value option for certain instruments upon transition. The Company is currently evaluating the impact of ASU 2025-07 but does not expect it to have a material effect on its consolidated financial statements.

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, which amends existing guidance to allow entities to apply the same principles used in other business combinations when determining the accounting acquirer in a transaction involving a variable interest entity (VIE) that is a business and where consideration is primarily in the form of equity interests. This update addresses comparability concerns and provides for more consistent application of acquisition accounting principles. The amendments are effective for annual periods beginning after December 15, 2026, and interim periods within those years, with early adoption permitted. The Company is currently assessing the potential impact of the standard but does not anticipate that it will have a material impact on its consolidated financial statements.

In May 2025, the FASB also issued ASU 2025-04, *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer*, to address diversity in practice and improve the operability of accounting for share-based consideration granted to customers. The amendments clarify how to distinguish between service and performance conditions for vesting, require entities to estimate forfeitures for all share-based consideration payable to customers, and specify that variable consideration guidance in ASC 606 does not apply when measuring such awards. The guidance is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of this standard on its financial statements but does not expect it to have a material impact on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The guidance is to improve the disclosure of expenses in commonly presented expense captions. The new guidance requires a public entity to provide tabular disclosure, on an annual and interim basis, of amounts for the following expense categories: (1) purchases of inventory, (2) employee compensation, (3) depreciation and (4) intangible asset amortization, as included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement that contains any of the expense categories noted. The guidance is effective for 2027 annual reporting, and in the first quarter of 2028 for interim reporting, with early adoption permitted, to be applied on a prospective basis, with retrospective application permitted. The Company will adopt the guidance when it becomes effective, in its 2027 annual reporting and each quarter thereafter, on a prospective basis. The Company is evaluating the impact the updated guidance will have on its disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires more detailed income tax disclosures. The guidance requires entities to disclose disaggregated information about their effective tax rate reconciliation as well as expanded information on income taxes paid by jurisdiction. The guidance is effective for fiscal year 2025 annual reporting, with early adoption permitted, to be applied on a prospective basis, with retrospective application permitted. The Company adopted the guidance in its 2025 annual reporting on a prospective basis. See Note 12 Income Taxes in the accompanying notes to the consolidated financial statements for further detail.

3. Fair Value Measurements

The authoritative guidance for fair value measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Financial instruments include cash equivalents, investment in equity securities, accounts payable, accrued liabilities, and warrant liabilities. Fair value estimates of these instruments are made at a specific point in time, based on relevant market information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. The carrying amount of cash equivalents, accounts payable and accrued liabilities are generally considered to be representative of their respective fair values because of the short-term nature of those instruments.

The following tables provide a summary of assets and liabilities that are measured at fair value on a recurring basis (in thousands):

December 31, 2025				
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Bitcoin	\$ 3,263	\$ 3,263	\$ —	\$ —
December 31, 2024				
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Investment in equity securities	\$ 7,530	\$ 7,530	\$ —	\$ —
Bitcoin	1,394	1,394	—	—
Total	\$ 8,924	\$ 8,924	\$ —	\$ —
Liabilities:				
Warrant liabilities	\$ 31	\$ —	\$ —	\$ 31

Investment in equity securities was in publicly held equity securities which had readily determinable fair values. During the years ended December 31, 2025 and 2024, the Company recognized an unrealized gain of nil and \$4.9 million, respectively, within other income (expense) in its consolidated statements of operations related to the fair value change of the investment in equity securities.

The fair value of the warrant liabilities was measured using a Black Scholes valuation model with the following assumptions:

	December 31, 2025	December 31, 2024
Common share price	\$ 3.08	\$ 9.39
Expected volatility	75.0 %	125.0 %
Risk-free interest rate	3.7 %	4.2 %
Expected term (in years)	0.3	1.3

The following table presents the activities of warrant liabilities that are measured at fair value (in thousands):

Warrant liability as of January 1, 2024	\$ 205
Change in fair value	(174)
Warrant liability as of December 31, 2024	31
Change in fair value	(31)
Warrant liability as of December 31, 2025	\$ —

Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

Non-financial assets such as property and equipment and intangible assets are recorded at fair value when an impairment is recognized or at the time acquired in an asset acquisition or business combination measured using significant unobservable inputs (Level 3). As discussed in *Note 6, Certain Balance Sheet Items*, during the year ended December 31, 2025 and 2024, impairment charges associated with property and equipment were recorded and reduced the carrying amount of such assets subject to the impairment to their estimated fair value.

4. Bitcoin

The following table presents the activities of Bitcoin (in thousands):

Balance at January 1, 2024	\$	986
Cumulative effect upon adoption of ASU 2023-08		20
Revenue recognized from Bitcoin mined		16,608
Proceeds from sale of Bitcoin		(16,364)
Bitcoin issued for services		(538)
Change in fair value of Bitcoin		682
Balance at December 31, 2024		1,394
Revenue recognized from Bitcoin mined		11,181
Proceeds from sale of Bitcoin		(8,967)
Change in fair value of Bitcoin		(345)
Balance at December 31, 2025	\$	3,263

The following table presents Bitcoin holdings (in thousands except for number of Bitcoin):

	December 31, 2025	December 31, 2024
Number of Bitcoin held	37.3	14.9
Carrying basis of Bitcoin	\$ 3,835	\$ 1,450

For the years ended December 31, 2025 and 2024, the Company had a realized gain of approximately \$0.2 million and \$0.7 million, respectively, on the sale of Bitcoin.

All additions of Bitcoin were generated by the Company's Bitcoin mining operations. All dispositions of Bitcoin were the result of sales on the open market and used to fund operations. Bitcoin holdings are not subject to sale restrictions and do not serve as collateral for any agreements. As of December 31, 2025 and 2024, the Company held no other cryptocurrency.

5. Note Receivable

Rainmaker Promissory Note

In September 2020, the Company entered into a Senior Secured Convertible Promissory Note with Rainmaker Worldwide Inc. (the "Rainmaker Note"), pursuant to which the Company loaned Rainmaker Worldwide Inc. ("Rainmaker") the principal amount of \$3.1 million. The Rainmaker Note is secured as a registered lien under the Uniform Commercial Code and the Personal Property Security Act (Ontario) against the assets of Rainmaker and bears interest at the rate of 10% per annum. In January 2025, the Company and Rainmaker entered into Amendment No. 4 to the Rainmaker Note and the principal amount was revised to \$4.6 million and the due date was extended to January 14, 2026, at which time all principal and accrued interest was due and payable.

In January 2026, the Company and Rainmaker entered into a settlement agreement to the Rainmaker Note and both parties agreed the outstanding amount would be settled by a one-time payment of \$0.5 million by February 27, 2026 (the "Settlement Date"). If such payment is not received by the Settlement Date, the amount will increase by \$50,000 the first business day of each month following the Settlement Date. All amounts related to the Rainmaker Note have been fully reserved in prior periods.

6. Certain Balance Sheet Items

The following table summarizes other current assets (in thousands):

	December 31,	
	2025	2024
Bitcoin mining hosting deposit	\$ 870	\$ 2,490
Prepaid insurance	364	547
Prepaid mining hosting services	259	100
Prepaid services	137	270
Other	77	31
Other current assets	<u>\$ 1,707</u>	<u>\$ 3,438</u>

In January 2025, the Company terminated the Rebel Hosting Agreement and agreed to a settlement amount of \$2.4 million, which was included in Bitcoin mining hosting deposit at December 31, 2024. For the year ended December 31, 2025, the Company recorded a \$0.3 million impairment for the portion of the settlement that was not received by the Company and is in default.

The following table summarizes property and equipment, net (in thousands):

	December 31,	
	2025	2024
Mining equipment	\$ 24,019	\$ 27,214
Infrastructure	1,516	—
Construction in progress	—	1,750
Total	25,535	28,964
Accumulated depreciation	(10,927)	(6,997)
Property and equipment, net	<u>\$ 14,608</u>	<u>\$ 21,967</u>

Depreciation expense for property and equipment was \$5.4 million and \$5.6 million during the years ended December 31, 2025 and 2024, respectively.

The Company sold 2,966 and 3,263 miners during the years ended December 31, 2025 and 2024, respectively, that were included in mining equipment, for proceeds of \$1.8 million and \$1.0 million, respectively. In addition, for the year ended December 31, 2025, there were infrastructure related assets sold for proceeds of \$0.3 million. The Company had a loss on the sale of property and equipment of \$1.7 million and \$3.5 million during the years ended December 31, 2025 and 2024, respectively.

In March 2025, the infrastructure for an 8 MW site in Iowa (“Iowa Site”) was completed, and the Company entered into a management services agreement with Simple Mining LLC (“Simple Mining”) to manage the mining site.

Impairment of Property and Equipment

For the year ended December 31, 2025, an impairment to property and equipment of \$7.2 million was recorded for the expected sales value of mining equipment primarily due to the decline in Bitcoin prices. For the year ended December 31, 2024, an impairment to property and equipment of \$1.1 million was recorded related to idle mining equipment not expected to return to use. The indicated fair value was compared to the carrying value of the mining equipment, and the analysis resulted in an impairment charge. The estimated fair value of the mining equipment is classified in Level 3 of the fair value hierarchy.

The following table summarizes other non-current assets (in thousands):

	December 31,	
	2025	2024
Utilities Deposit	\$ 225	\$ —
Prepaid mining hosting services	—	308
Prepaid services	—	68
Other	—	3
Other non-current assets	<u>\$ 225</u>	<u>\$ 379</u>

7. Intangible Assets

The following table summarizes intangible assets, net (in thousands):

	December 31,	
	2025	2024
Supplier agreements	\$ 37,525	\$ 37,525
Accumulated amortization	(35,915)	(34,430)
Intangible assets, net	<u>\$ 1,610</u>	<u>\$ 3,095</u>

Amortization expense of intangible assets was \$1.5 million for both the years ended December 31, 2025 and 2024. Estimated amortization expense for intangible assets is approximately \$1.5 million and \$0.1 million in fiscal year 2026 and 2027, respectively.

8. Preferred Shares

Series H Preferred Shares

On October 1, 2021, the Company filed articles of amendment to create a series of preferred shares, being, an unlimited number of Series H Preferred Shares and to provide for the rights, privileges, restrictions and conditions attaching thereto. The Series H Preferred Shares are convertible provided (and only if and to the extent) that prior shareholder approval of the issuance of all Sphere 3D common shares issuable upon conversion of the Series H Preferred Shares has been obtained in accordance with the rules of the Nasdaq Stock Market, at any time from time to time, at the option of the holder thereof, into 14.286 Sphere 3D common shares for every Series H Preferred Share. Each holder of the Series H Preferred Shares, may, subject to prior shareholder approval, convert all or any part of the Series H Preferred Shares provided that after such conversion the common shares issuable, together with all the common shares held by the shareholder in the aggregate would not exceed 9.99% of the total number of outstanding common shares of the Company. Each Series H Preferred Share has a stated value of \$1,000. The Series H Preferred Shares are non-voting and do not accrue dividends. These features include, in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, deemed liquidation or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the Series H Preferred Shares shall entitle each of the holders thereof to receive an amount equal to the Series H subscription price per Series H Preferred Share, as defined in the agreement, to be paid before any amount is paid or any assets of the Company are distributed to the holders of its common shares.

In accordance with the authoritative guidance for distinguishing liabilities from equity, the Company has determined that its Series H preferred shares carry certain redemption features beyond the control of the Company. Accordingly, the Series H Preferred Shares are presented as temporary equity. For the years ended December 31, 2025 and 2024, the Company issued nil and 619,348 common shares, respectively, for the conversion of nil and 4,341 Series H Preferred Shares, respectively.

9. Share Capital

At-the-Market Offering Program

On January 3, 2025, the Company entered into a sales agreement (the “AGP Agreement”) with A.G.P./Alliance Global Partners (the “Sales Agent”). In accordance with the terms of the AGP Agreement, the Company may offer and sell from time to time through or to the Sales Agent, as agent or principal, the Company's common shares having an aggregate offering price of up to \$8.0 million (the “Placement Shares”). The AGP Agreement can be terminated by either party by giving two days written notice.

Neither the Company nor the Sales Agent are obligated to sell any Placement Shares pursuant to the AGP Agreement. Subject to the terms and conditions of the AGP Agreement, the Sales Agent will use commercially reasonable efforts, consistent with its normal trading and sales practices and applicable state and federal law, rules and regulations and the rules of Nasdaq, to sell the Placement Shares from time to time based upon the Company's instructions, including any price, time or size limits or other customary parameters or conditions the Company may impose. Sales of the Placement Shares, if any, will be made on Nasdaq at market prices by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended. For the year ended December 31, 2025, through the At-the-Market Offering program 112,791 common shares were issued for net proceeds of \$0.7 million.

Warrant Inducement

On October 16, 2025, the Company entered into a warrant inducement agreement with an existing institutional investor of the Company for the immediate exercise of the November 19, 2024 warrants to purchase 436,823 common shares (the “November 2024 Warrants”) of the Company. The November 2024 Warrants had an exercise price of \$15.00 and were exercised at a reduced exercise price of \$9.40 for total gross cash proceeds of \$4.1 million, before deducting financial advisor fees and other transaction expenses of \$0.4 million.

In consideration for the immediate exercise in full of the November 2024 Warrants, the investor received in a private placement new unregistered warrants to purchase up to 873,643 common shares (the “October 2025 Warrants”). The October 2025 Warrants were approved by the shareholders as required by the agreement, have an exercise price of \$9.40, are exercisable beginning January 15, 2026, and expire five years from such date. The warrants contain standard anti-dilution adjustments to the exercise price including for share splits, share dividends, rights offerings and pro rata distributions. A holder will not have the right to exercise any portion of the October 2025 Warrants if the holder (together with its affiliates) would beneficially own in excess of 9.99% of the number of the Company's common shares outstanding immediately after giving effect to the exercise of the warrants.

The fair value of the October 2025 Warrants and November 2024 Warrants was calculated using a Black-Scholes model. The relative fair value assigned to the October 2025 Warrants and fair value assigned to the modification of the November 2024 Warrants were approximately \$6.3 million and \$0.2 million, respectively, and were recognized as share issuance costs.

Registered Direct Offering and Concurrent Private Placement

On November 19, 2024, Company entered into a Securities Purchase Agreement (the “2024 Purchase Agreement”) with a single institutional investor (the “Purchaser”) pursuant to which the Company issued and sold (i) 235,000 common shares of the Company (the “Shares”), and (ii) pre-funded warrants (the “Pre-Funded Warrants”) to purchase up to 187,536 of the Company's common shares (such offering, the “Registered Offering”). The Shares had a purchase price of \$14.20 per share; and the Pre-Funded Warrants had a purchase price of \$14.199 per share, an exercise price of \$0.001 per share, and have been exercised in full. For the years ended December 31, 2025 and 2024, the Pre-Funded Warrants to purchase 159,400 and 28,136 common shares, respectively, were exercised.

In a concurrent private placement (the “Private Placement” and together with the Registered Offering, the “Offerings”), the Company also agreed to issue to the same Purchaser warrants to purchase up to 422,537 of its common shares (the “November 2024 Warrants”). The November 2024 Warrants had an exercise price of \$15.00 per share, were exercisable commencing six months from the date of issuance, and expire on May 21, 2030. Such warrants were exercised in full in October 2025, see additional disclosure above under the caption, *Warrant Inducement*.

The Registered Offering gross proceeds was \$6.0 million, and net proceeds after deducting the placement agent's fees and other offering expenses paid by the Company, was approximately \$5.4 million. A.G.P./Alliance Global Partners ("Placement Agent") acted as the sole placement agent in connection with the Offerings pursuant to a Placement Agent Agreement, dated as of November 19, 2024, between the Company and the Placement Agent (the "Placement Agent Agreement"). Pursuant to the Placement Agent Agreement, the Placement Agent was paid a 7.0% commission and reimbursement of certain Placement Agent expenses for an aggregate amount of approximately \$0.5 million. The Company paid an additional \$0.1 million of costs related to the Offerings. The Company used the net proceeds from the Offerings to accelerate efficiency and for the purchase or upgrade of the Company's Bitcoin mining fleet, vertical integration of infrastructure, as well as general corporate purposes.

In connection with the Offerings, the Company amended existing warrants to purchase up to 14,286 common shares of the Company, with an exercise price of \$665.00 per share, that were previously issued to the Purchaser participating in the Offerings. Effective at the closing date of the Offerings, such existing warrants were amended to reduce the exercise price to \$15.00 per share, change the initial exercise date to May 21, 2025, and change the expiration date to May 21, 2030. All the other terms of the prior warrants remained unchanged. The Company accounted for the reduced exercise price and amended expiration date of the existing warrants as a modification. As the nature of the modification was to induce exercise and raise additional capital, the modification was accounted for as an equity issuance cost on the date the offer was accepted by the Purchaser, equal to the excess fair value of the modified warrants post modification of \$0.2 million. Such warrants were exercised in full in October 2025, see additional disclosure above under the caption, *Warrant Inducement*.

The Company assessed the terms of the Pre-Funded Warrants and November 2024 Warrants (together the "Offering Warrants") issued in connection with the Registered Offering and determined that these should be classified as equity instruments. Furthermore, the exercise and settlement provisions of the Offering Warrants do not preclude equity classification. Accordingly, the Offering Warrants were determined to be equity classified. The proceeds from the Registered Offering were allocated to each of the equity instruments issued based on their relative fair values and recorded in common shares on the consolidated balance sheets. The fair value of the November 2024 Warrants was calculated using a Black-Scholes model. The relative fair value assigned to the November 2024 Warrants was approximately \$2.6 million.

Unlimited authorized shares of common shares at no par value are available to the Company. At December 31, 2025, the following table summarizes outstanding warrants to purchase common shares:

Date issued	Contractual life (years)	Exercise price	Number outstanding	Expiration
September 2021	5.0	\$ 665.00	142,955	September 8, 2026
February 2022	5.0	\$ 280.00	1,429	February 7, 2027
February 2022	5.0	\$ 350.00	1,429	February 7, 2027
February 2022	5.0	\$ 420.00	1,429	February 7, 2027
April 2023	3.0	\$ 13.42	7,356	April 17, 2026
August 2023	3.0	\$ 27.50	80,000	August 11, 2026
August 2023	3.0	\$ 27.50	216,293	August 23, 2026
October 2025	5.0	\$ 9.40	873,643	January 15, 2031
			<u>1,324,534</u>	

10. Equity Incentive Plan

In May 2025, the shareholders approved the adoption of the Company's 2025 Performance Incentive Plan ("2025 Plan"). As of December 31, 2025, an aggregate of 576,644 common shares are authorized for issuance with respect to awards granted under the previous performance plan and the 2025 Plan. In addition, the share limit will automatically increase on the first trading day in January of each calendar year during the term of the 2025 Plan by an amount equal to the lesser of (i) 10% of the total number of common shares issued and outstanding on December 31 of the immediately preceding calendar year, or (ii) such number of common shares as may be established by the Board. The 2025 Plan authorizes the board of directors to grant stock and options awards to directors, employees and consultants. As of December 31, 2025, the Company had approximately 303,857 share-based awards available for future grants under the 2025 Plan.

Stock Options

The following table summarizes option activity:

	Shares Subject to Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding — January 1, 2025	44,315	\$ 51.14		
Granted	14,950	\$ 7.92		
Exercised	—	\$ —		
Forfeited	(2,679)	\$ 126.00		
Outstanding — December 31, 2025	56,586	\$ 36.18	3.6	\$ —
Vested and expected to vest — December 31, 2025	56,586	\$ 36.18	3.6	\$ —
Exercisable — December 31, 2025	41,636	\$ 46.33	3.0	\$ —

The weighted average grant date fair values of options granted during the years ended December 31, 2025 and 2024 were \$6.69 per share and \$16.68 per share, respectively.

The fair value of option awards are estimated on the date of grant using the Black-Scholes option pricing model. Expected volatility was based on historical volatility of the Company's common shares. The expected term of options granted was based on the simplified method. The risk-free interest rate was based on the U.S. Treasury yield for a period consistent with the expected term of the option in effect at the time of the grant. The dividend yield assumption was based on the expectation of no future dividend payments. Option awards can be granted for a maximum term of up to ten years. The assumptions used in the Black-Scholes model were as follows:

	Year Ended December 31,	
	2025	2024
Expected volatility	148.0 %	124.3-126.1%
Expected term (in years)	3.5	3.5
Risk-free interest rate	4.0 %	4.1-4.6%
Dividend yield	—	—

Restricted Stock Units

The following table summarizes RSU activity:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding — January 1, 2025	76,081	\$ 19.83
Granted	353,738	\$ 6.91
Vested and released	(128,013)	\$ 9.87
Forfeited	(122,641)	\$ 12.80
Outstanding — December 31, 2025	179,165	\$ 6.23
Vested and unreleased — December 31, 2025	8,983	\$ 9.30

The estimated fair value of RSUs was based on the closing market value of the Company's common shares on the date of grant. RSUs typically vest over a period of one year to three years from the original date of grant. The total grant date fair value of RSUs vested during the years ended December 31, 2025 and 2024 was approximately \$1.2 million and \$2.3 million, respectively. The fair value of RSUs vested during the years ended December 31, 2025 and 2024 was approximately \$0.8 million and \$1.6 million, respectively. The intrinsic value of RSUs vested during the years ended December 31, 2025 and 2024 was \$0.1 million and nil, respectively.

Restricted Stock Units with a Performance Condition

In July 2025, the Company entered into a financial advisory agreement and issued to nonemployees RSU grants with a performance condition. On the grant date, 50% of the RSUs were vested and common shares issued, and the remaining will vest upon achievement of a specific performance condition and expire 12 months from the date of grant. See Note 13 Commitments and Contingencies for more information on the related financial advisory agreement.

The following table summarizes RSU with performance condition activity:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding — January 1, 2025	—	\$ —
Granted	74,074	\$ 6.25
Vested	(37,038)	\$ 6.25
Forfeited	—	\$ —
Outstanding — December 31, 2025	37,036	\$ 6.25

The fair value of RSUs with a performance condition vested during the year ended December 31, 2025 was \$0.2 million.

Restricted Stock Awards

During the year ended December 31, 2025, no restricted stock awards ("RSA") were granted. During the year ended December 31, 2024, fully vested RSAs were granted to certain employees and consultants in lieu of cash payment for services performed. The estimated fair value of the RSAs was based on the market value of the Company's common shares on the date of grant. The fair value of RSAs vested during the year ended December 31, 2024 was approximately \$0.3 million.

Share-Based Compensation Expense

The following compensation expense related to share-based compensation awards was recorded (in thousands):

	Year Ended December 31,	
	2025	2024
Total share-based compensation expense - general and administrative	\$ 832	\$ 2,838

Total unrecognized estimated compensation cost by type of award and the weighted-average remaining requisite service period over which such expense is expected to be recognized (in thousands, unless otherwise noted):

	December 31, 2025	
	Unrecognized Expense	Remaining Weighted-Average Recognition Period (years)
RSUs	\$ 880	1.3
Stock options	\$ 42	0.4

11. Net Loss per Share

Basic net loss per share is computed by dividing net loss applicable to common shareholders by the weighted-average number of common shares outstanding during the period. Preferred shares, common share outstanding purchase warrants, and outstanding options and RSUs are considered common stock equivalents and are only included in the calculation of diluted earnings per common share when net income is reported and their effect is dilutive. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company's net loss position.

At December 31, 2024, the Company included the outstanding 159,400 Pre-Funded Warrants issued in November 2024 in the computation of basic and diluted shares outstanding as the stated exercise price was not substantive.

Anti-dilutive common share equivalents excluded from the computation of diluted net loss per share were as follows:

	December 31,	
	2025	2024
Common share purchase warrants	1,324,534	891,916
Options and RSUs outstanding	272,787	120,396
Preferred shares	2,300	2,300

12. Income Taxes

The Company is subject to taxation in Canada and in the United States ("U.S."). Sphere 3D Corp. is a Canadian entity that files tax returns in Canada and the U.S. as it carries on a trade or business in various states in the United States. The Company's tax returns for calendar year 2018 and forward are subject to examination by the Canadian tax authorities. The Company's tax returns for fiscal year 2022 and forward are subject to examination by the U.S. federal and state tax authorities.

The Company recognizes the impact of an uncertain income tax position on its income tax return at the largest amount that is "more likely than not" to be sustained upon audit by the relevant taxing authority. An uncertain tax position will not be recognized if it has less than a 50% likelihood of being sustained.

At December 31, 2025, there were no unrecognized tax benefits. The Company believes it is reasonably possible that, within the next 12 months, the amount of unrecognized tax benefits may remain unchanged. The Company recognizes interest and penalties related to unrecognized tax benefits in its provision for income taxes. The Company had no material accrual for interest and penalties on its consolidated balance sheets at December 31, 2025 and 2024, and recognized no material interest and/or penalties in the consolidated statements of operations for the years ended December 31, 2025 and 2024.

The components of loss before income taxes were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Domestic	\$ (20,094)	\$ (9,320)
Foreign	(1,386)	—
Net loss before income taxes	<u>\$ (21,480)</u>	<u>\$ (9,320)</u>

The components of provision for income taxes were as follows (in thousands):

	Year Ended December 31, 2025
Foreign:	
Current	\$ 2
Deferred	—
Total provision for income taxes	<u>\$ 2</u>

On July 4, 2025, the U.S. enacted tax legislation referred to as the One Big Beautiful Bill (“OB BB”). The OB BB included significant changes to U.S. income tax laws, including accelerated depreciation on eligible capital expenditures and other tax law changes impacting 2025 with certain changes effective in 2026. The OB BB did not have a material impact on the Company’s 2025 effective tax rate.

The following is a reconciliation of the federal statutory income tax rate to the effective tax rate (in thousands):

	Year Ended December 31, 2025	
	Value	Percent
Income tax at statutory rate	\$ (5,691)	26.5 %
Foreign tax effects		
United States		
Statutory tax rate difference between U.S. and Canada	(4,131)	19.2
State and local taxes net of U.S. federal income tax effect ⁽¹⁾	(1,121)	5.2
Change in valuation allowance	7,960	(37.1)
Changes in state tax rates	(2,523)	11.7
Other	183	(0.8)
Change in valuation allowance	4,822	(22.4)
Nontaxable or nondeductible items		
Share-based compensation expense	193	(0.9)
Other	310	(1.4)
Provision for income taxes	<u>\$ 2</u>	<u>— %</u>

(1) The tax effect in this category primarily reflects state and local taxes in California and Connecticut.

Prior to the adoption of ASU 2023-09, a reconciliation of income taxes computed by applying the federal statutory income tax rate of 26.5% to loss before income taxes to the total income tax provision is as follows (in thousands):

	Year Ended December 31, 2024
Income tax at statutory rate	\$ (2,470)
Change in valuation allowance	48,752
Tax impact of U.S. permanent establishment	(44,819)
Foreign rate differential	(1,801)
State income taxes, net of federal benefit	82
Change to provision and other true-ups	(446)
Share-based compensation expense	651
Other differences	201
Provision for income taxes	<u>\$ 150</u>

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are shown below. A valuation allowance has been recorded, as realization of such assets is uncertain.

Deferred income taxes are comprised as follows (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss and capital loss carryforwards	\$ 113,396	\$ 109,300
Intangible assets	26,943	25,912
Impairment of investments	7,645	6,976
Provision for losses on notes receivable	2,413	2,096
Share-based compensation	482	511
Provision for losses on deposits due to vendor bankruptcy filings	180	332
Other	2,549	1,014
Deferred tax assets, gross	153,608	146,141
Valuation allowance for deferred tax assets	(149,990)	(137,208)
Deferred tax assets, net of valuation allowance	<u>3,618</u>	<u>8,933</u>
Deferred tax liabilities:		
Property and equipment	(3,618)	(7,630)
Investment in equity securities	—	(1,303)
Deferred tax liabilities	<u>(3,618)</u>	<u>(8,933)</u>
Net deferred tax assets (liabilities)	<u>\$ —</u>	<u>\$ —</u>

At December 31, 2025, the Company had U.S. federal and state net operating loss carryforwards of \$183.5 million and \$16.3 million, respectively. U.S. federal net operating losses do not expire and will be carried forward indefinitely until utilized. State net operating loss carryforwards begin to expire in 2043. At December 31, 2025, the Company had Canadian net operating loss carryforwards of \$260.8 million. These carryforwards will begin expiring December 31, 2031, unless previously utilized. The Company also has net capital loss carryforwards in Canada of \$37.8 million, which are available indefinitely to offset taxable capital gains.

13. Commitments and Contingencies

Hosting Agreements

On November 1, 2025, the Company entered into a Hosting Agreement with North Campbell HostCo LLC (the “Campbell Hosting Agreement”), for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of the Company’s mining equipment. The Campbell Hosting Agreement has an initial term of 12 months and can be terminated based on certain defaults defined in such agreement. An initial deposit of \$0.3 million was made based on the Campbell Hosting Agreement. During the year ended December 31, 2025, the Company incurred costs under the Campbell Hosting Agreement of \$0.3 million.

On April 19, 2024, the Company entered into a Master Hosting Agreement with Simple Mining LLC (“Simple Mining”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of the Company’s mining equipment. On September 25, 2024, the Company entered into Amendment No. 2 to the Master Hosting Agreement (“Simple Mining Hosting”) for certain of the Company’s mining machines to be hosted at Simple Mining’s facility in Iowa. The Simple Mining Hosting agreement has a term of two years and can be terminated by the Company with 30 days advance notice. On September 25, 2024, the Company entered into Amendment No. 3 to the Master Hosting Agreement (“Simple Mining XP Hosting”) for certain mining machines to be racked at Simple Mining’s facility in Iowa until the Company’s Iowa Site was completed. The Simple Mining XP Hosting agreement can be terminated by the Company with 30 days advance notice. The Company paid Simple Mining a deposit of \$0.6 million representing 30 days of estimated service fees. Effective November 22, 2025, the Simple Mining Hosting and Simple Mining XP Hosting agreements were mutually terminated. During the years ended December 31, 2025 and 2024, the Company incurred aggregate costs under the Simple Mining Hosting and Simple Mining XP Hosting agreements of \$3.9 million and \$1.7 million, respectively.

On October 18, 2023, the Company entered into a Hosting Agreement with Joshi Petroleum, LLC (the “Joshi Hosting Agreement”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of the Company’s mining equipment. The Joshi Hosting Agreement has an initial term of three years with subsequent one year renewal periods until either party provides written notice to the other party of its desire to avoid and given renewal term at least 30 days in advance of the conclusion of the prior initial term or renewal period. As required by the Joshi Hosting Agreement, the Company paid a deposit of \$0.3 million representing the last two months of estimated service fees. During both the years ended December 31, 2025 and 2024, the Company incurred costs under the Joshi Hosting Agreement of \$1.6 million. Effective January 2, 2026, the Joshi Hosting Agreement was assigned to Evolution Technology LLC.

On April 4, 2023, the Company entered into a Master Hosting Services Agreement with Rebel Mining Company, LLC (the “Rebel Hosting Agreement”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of the Company’s mining equipment. The Rebel Hosting Agreement had a term of three years with subsequent one year renewal periods. During the year ended December 31, 2024, the Company recorded a \$0.9 million impairment to prepaid service fees held by Rebel Mining Company and is included in impairment of other assets on the consolidated statement of operations. On January 16, 2025, the Company terminated the Rebel Hosting Agreement and agreed to a settlement amount of \$2.4 million payable to the Company in satisfaction of all obligations of the Rebel Hosting Agreement and it constitutes a final settlement of all amounts owed by either party of the Rebel Hosting Agreement. For the year ended December 31, 2025, the Company recorded a \$0.3 million impairment for the remaining outstanding portion of the settlement that is in default. During the years ended December 31, 2025 and 2024, the Company incurred costs under the Rebel Hosting Agreement of \$0.1 million and \$3.7 million, respectively.

On February 8, 2023, the Company entered into a Hosting Agreement with Lancium FS 25, LLC (the “Lancium Hosting Agreement”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of the Company’s mining equipment. The Lancium Hosting Agreement had a term of two years with subsequent one year renewal periods. During the years ended December 31, 2025 and 2024, the Company incurred costs under the Lancium Hosting Agreement of nil and \$3.0 million, respectively. On November 15, 2024, both parties terminated the Lancium Hosting Agreement, which resulted in the return of the deposit, and waiving of outstanding service fees in exchange for the mining equipment in immersion. During the year ended December 31, 2024, the Company recorded a \$2.3 million loss on equipment retained by Lancium, as agreed upon in the Termination Agreement, which is included in loss on disposal of property and equipment on the consolidated statement of operations.

On June 3, 2022, the Company entered into a Master Agreement with Compute North LLC (the “Compute North MA”) for, the colocation, management, and other services of certain of the Company’s mining equipment. In December 2022, the Compute North MA was assigned to GC Data Center Granbury, LLC (the “GC Data Center MA”). In the first quarter of 2024, Marathon Digital Holdings acquired GC Data Center Granbury Equity Holdings, LLC and assumed the GC Data Center MA. The GC Data Center MA had a term of five years beginning December 2022. The Company incurred costs under the GC Data Center MA of nil and \$2.7 million during the years ended December 31, 2025 and 2024, respectively. On August 28, 2024, the Company and GC Data Center Granbury, LLC (the “Host”) mutually entered into a termination agreement effective August 31, 2024, and the Host paid a termination fee to the Company of \$3.0 million to settle all matters pertaining to the GC Data Center MA including all services and deposit prepayment for estimated services fees, which is included within other income (expense) in its consolidated statements of operations.

Management Agreement

In March 2025, the Company entered into a management services agreement with Simple Mining LLC (“Simple Mining”) to manage its Iowa Site for a term of 12 months, with automatic renewals for subsequent terms of 12 months unless terminated by either party with written notice 30 days prior to the expiration of the then current term. For the year ended December 31, 2025, management services fees paid to Simple Mining were approximately \$0.2 million.

Financial Advisory Agreement

In July 2025, the Company entered into a financial advisory and consulting agreement for a term of 12 months, with automatic 30 days renewal periods. The agreement can be canceled by either party at any time with 10 days written notification to the other party. Fees are \$25,000 per month for ongoing work, and a \$1.45 million fee for certain transactions, payable in cash and equity. For the year ended December 31, 2025, fees paid under the financial and advisory agreement were \$0.4 million.

Letters of Credit

During the ordinary course of business, the Company provides standby letters of credit to third parties as required for certain transactions initiated by the Company. As of December 31, 2025, the Company had no outstanding standby letters of credit.

Litigation

The Company is, from time to time, subject to claims and suits arising in the ordinary course of business. The Company cannot predict the final outcome of such proceedings. Where appropriate, the Company vigorously defends such claims, lawsuits and proceedings. Paid expenses related to the defense of such claims are recorded by the Company as incurred and paid. On the basis of current information, the Company does not believe there is a reasonable possibility that a material loss, if any, will result from any claims, lawsuits and proceedings to which the Company is subject to either individually, or in the aggregate.

14. Subsequent Events

Business Combination

On March 5, 2026, the Company and Cathedra Bitcoin Inc. (“Cathedra”), entered into a definitive agreement to combine the two companies in an all-stock transaction. Under the terms of the definitive arrangement agreement, entered into on March 5, 2026 (the “Arrangement Agreement”), the Company has agreed to acquire all of the issued and outstanding shares of Cathedra (the “Transaction”), subject to customary closing conditions, including regulatory, court, and shareholder approvals, such that upon consummation of the Transaction, Cathedra will be a wholly-owned subsidiary of the Company. If the Arrangement Agreement is terminated in certain specified circumstances, the Company or Cathedra would be required to pay the other party a termination fee of \$0.5 million.

Equity Incentive Plan Grants

On March 4, 2026, the Company granted 472,222 RSUs and 45,532 RSAs with an aggregate fair value of \$0.7 million. The RSUs have a vesting period of 12 months and the RSAs were granted fully vested.

At-the-Market Offering Program

During March 2026, under the AGP Agreement the Company issued 256,142 common shares for \$0.4 million of net proceeds.

Sale and Purchase of Property and Equipment

On February 9, 2026, the Company sold approximately 7,700 older generation miners included in property and equipment for 437 newer generation miners with a value of \$1.1 million.

NUMBER CERT.9999	 Sphere3D (INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ONTARIO) THIS CERTIFIES THAT ** SPECIMEN ** * NINE BILLION AND 00/100 * FULLY PAID AND NON-ASSESSABLE COMMON SHARES IN THE CAPITAL OF SPHERE 3D CORP. transferable only on the books of the Corporation by the registered holder in person or by duly authorized Attorney on surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned and registered by the Transfer Agent and Registrar of the Corporation. IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by its duly authorized officers. DATED: JANUARY 01, 2009 <table border="0"> <tr> <td>COUNTERSIGNED AND REGISTERED by TSX Trust Company 301 - 100 Adelaide Street West Toronto, ON M5H 4H1 Main Transfer Agent and Registrar</td> <td style="text-align: center;">OR</td> <td>COUNTERSIGNED by Continental Stock Transfer & Trust Co. 1 State Street, 30th Floor New York, NY 10004 Co-Transfer Agent</td> </tr> </table> By _____ AUTHORIZED OFFICER By _____ AUTHORIZED OFFICER  Kurt L. Kalbfleisch Chief Executive Officer & Chief Financial Officer The Shares represented by this Certificate are transferable at the offices of TSX Trust Company, Toronto, Ontario, Canada, and at the offices of Continental Stock Transfer & Trust Company, New York, New York, USA	COUNTERSIGNED AND REGISTERED by TSX Trust Company 301 - 100 Adelaide Street West Toronto, ON M5H 4H1 Main Transfer Agent and Registrar	OR	COUNTERSIGNED by Continental Stock Transfer & Trust Co. 1 State Street, 30th Floor New York, NY 10004 Co-Transfer Agent	SHARES ***9,000,000,000*** ***9,000,000,000*** ***9,000,000,000*** ***9,000,000,000*** ***9,000,000,000***
COUNTERSIGNED AND REGISTERED by TSX Trust Company 301 - 100 Adelaide Street West Toronto, ON M5H 4H1 Main Transfer Agent and Registrar	OR	COUNTERSIGNED by Continental Stock Transfer & Trust Co. 1 State Street, 30th Floor New York, NY 10004 Co-Transfer Agent			

CUSIP: 84841L506
ISIN: CA84841L5062

SECURITY INSTRUCTIONS ON REVERSE VOIR LES INSTRUCTIONS DE SECURITE AU VERSO

00030992

FOR VALUE RECEIVED, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL INSURANCE NUMBER OF TRANSFEREE

				-					-				

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE)

Shares

of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Attorney
to transfer the said Stock on the Books of the within named Corporation, with full power of substitution in the premises.

Dated _____

Signature: _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.

In the presence of:

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (BANKS, STOCKBROKERS, SAVING AND LOANS ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE A4-15.



RESTRICTIONS



SECURITY INSTRUCTIONS - INSTRUCTIONS DE SÉCURITÉ
THIS IS WATERMARKED PAPER, DO NOT ACCEPT WITHOUT NOTING
WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.
PAPIER FILIGRANE, NE PAS ACCEPTER SANS VÉRIFIER LA PRÉSENCE
DU FILIGRANE POUR CE PAPIER. PLACER À LA LUMIÈRE.

DESCRIPTION OF SECURITIES

Sphere 3D Corp. (the “Company”) authorized capital shares consist of unlimited number of common shares, no par value; unlimited number of Series A Preferred Shares, no par value; unlimited number of Series B Preferred Shares, no par value; unlimited number of Series C Preferred Shares, no par value; unlimited number of Series D Preferred Shares, no par value; unlimited number of Series E Preferred Shares, no par value; unlimited number of Series F Preferred Shares, no par value; unlimited number of Series G Preferred Shares, no par value; and unlimited number of Series H Preferred Shares, no par value. As of March 23, 2026, issued and outstanding were 3,767,086 common shares, and 161 Series H Preferred Shares. There are no Series A, Series B, Series C, Series D, Series E, Series F, or Series G Preferred Shares outstanding. Pursuant to our articles of amalgamation, the Board of Directors has the authority to fix and determine the voting rights, rights of redemption and other rights and preferences of preferred shares. The Series H Preferred Shares have no voting rights.

The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of the Business Corporation Act (Ontario) and our Articles and By-laws. The Company encourages you to review its:

- Articles of Amendment dated June 28, 2023;
- Articles of Amendment dated October 1, 2021;
- Articles of Amendment dated July 13, 2021;
- Articles of Amendment dated January 4, 2021;
- Articles of Amendment dated September 29, 2020;
- Articles of Amendment dated May 6, 2020;
- Articles of Amendment dated November 6, 2019;
- Articles of Amendment dated July 12, 2019;
- Articles of Amendment dated November 13, 2018;
- Articles of Amendment dated November 5, 2018;
- Articles of Amendment dated September 28, 2018;
- Articles of Amendment dated July 11, 2017;
- Articles of Amalgamation dated March 24, 2015;
- By-law No. 1, as amended; and
- By-law No. 2.

Common Shares

Voting, Dividend and Other Rights. Each outstanding common share entitles the holder to one vote on all matters presented to the shareholders for a vote. Holders of common shares have no cumulative voting, pre-emptive, subscription or conversion rights. All common shares to be issued pursuant to this registration statement will be duly authorized, fully paid and non-assessable. Our Board of Directors determines if and when distributions may be paid out of legally available funds to the holders. To date, the Company has not declared any dividends with respect to its common shares. Our declaration of any cash dividends in the future will depend on our Board of Directors’ determination as to whether, in light of our earnings, financial position, cash requirements and other relevant factors existing at the time, it appears advisable to do so. The Company does not anticipate paying cash dividends on the common shares in the foreseeable future.

Rights Upon Liquidation. Upon liquidation, subject to the right of any holders of preferred shares to receive preferential distributions, each outstanding common share may participate pro rata in the assets remaining after payment of, or adequate provision for, all our known debts and liabilities.

Majority Voting. Two holders representing not less than 33 $\frac{1}{3}$ % of the outstanding common shares constitute a quorum at any meeting of the shareholders. A plurality of the votes cast at a meeting of shareholders elects our directors. The common shares do not have cumulative voting rights. Therefore, the holders of a majority of the outstanding common shares can elect all of our directors. In general, a majority of the votes cast at a meeting of shareholders must authorize shareholder actions other than the election of directors.

Preferred Shares

Authority of Board of Directors to Create Series and Fix Rights

Under our certificate of amalgamation, as amended, our Board of Directors can issue an unlimited number of preferred shares from time to time in one or more series. The Board of Directors is authorized to fix by resolution as to any series the designation and number of shares of the series, the voting rights, the dividend rights, the redemption price, the amount payable upon liquidation or dissolution, the conversion rights, and any other designations, preferences or special rights or restrictions as may be permitted by law. Unless the nature of a particular transaction and the rules of law applicable thereto require such approval, our Board of Directors has the authority to issue these preferred shares without shareholder approval.

Series H Preferred Shares

The holders of Series H Preferred Shares have the following rights, restrictions and privileges in respect of their preferred shares:

- The Series H Preferred Shares are convertible into 14,286 Sphere 3D common shares for every one Series H Preferred Share. Each holder may convert such holders Series H Preferred Shares provided that after such conversion the common shares issuable, together with all the Sphere 3D common shares beneficially owned by the shareholder, in the aggregate, would not exceed 9.99% of the total number of outstanding Sphere 3D common shares.
- The holders of Series H Preferred Shares are not entitled to receive dividends and are not entitled to voting rights, except as required by law.

Advance Notice Requirements for Shareholder Proposals and Director Nominations

The Company's by-laws provide that shareholders seeking to nominate candidates for election as directors at a meeting of shareholders must provide the Company with timely written notice of their proposal. The Company's by-laws also specify requirements as to the form and content of a shareholder's notice. These provisions may preclude shareholder's from making nominations for directors at an annual meeting of shareholders.

Indemnification of Our Executive Officers and Directors

In accordance with the by-laws of the Company, directors and officers are each indemnified by the Company against all liability and costs arising out of any action or suit against them from the execution of their duties, provided that they have carried out their duties honestly and in good faith with a view to the best interests of the Company and have otherwise complied with the provisions of applicable corporate law.

Subsidiaries of the Company

Name of subsidiary	Jurisdiction of Incorporation or Organization
Sphere 3D Inc.	Ontario, Canada
Sphere 3D Mining Corp.	Delaware, United States
S3D Acquisition Corp.	British Columbia, Canada
101250 Investments Ltd.	Turks and Caicos Islands

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-3 (File No. 333-269663, 333-271989, 333-283932, and 333-291698); Form F-1 (File No. 333-254742); Forms F-3 (File Nos. 333-206357, 333-259277, and 333-259092) and Forms S-8 (File Nos. 333-203149, 333-203151, 333-205236, 333-209251, 333-214605, 333-216209, 333-220152, 333-222771, 333-228380, 333-231472, 333-238145, 333-252632, 333-262154, 333-269298, 333-276395, 333-279866, 333-284524, 333-288321, and 333-292766) of our report dated March 27, 2026 with respect to the audited consolidated financial statements of Sphere 3D Corp. (the “Company”) appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2025. Our report contains an explanatory paragraph regarding the Company’s ability to continue as a going concern.

/s/ MaloneBailey, LLP

www.malonebailey.com

Houston, Texas

March 27, 2026

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kurt L. Kalbfleisch, Chief Executive Officer of Sphere 3D Corp. certify that:

1. I have reviewed this annual report on Form 10-K of Sphere 3D Corp.;
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: March 27, 2026

/s/ Kurt L. Kalbfleisch

Kurt L. Kalbfleisch
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tiah Reppas, Chief Accounting Officer of Sphere 3D Corp. certify that:

1. I have reviewed this annual report on Form 10-K of Sphere 3D Corp.;
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: March 27, 2026

/s/ Tiah Reppas

Tiah Reppas

Chief Accounting Officer

**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 filing of the Annual Report of Sphere 3D Corp. (the “Registrant”) on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kurt L. Kalbfleisch, Chief Executive Officer of the Registrant, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: March 27, 2026

/s/ Kurt L. Kalbfleisch

Kurt L. Kalbfleisch

Chief Executive Officer

**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 filing of the Annual Report of Sphere 3D Corp. (the “Registrant”) on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Tiah Reppas, Chief Accounting Officer of the Registrant, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: March 27, 2026

/s/ Tiah Reppas

Tiah Reppas

Chief Accounting Officer

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended **December 31, 2025**

☐ 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: **001-36532**

Sphere 3D Corp.

(Exact name of Registrant as specified in its charter)

Ontario, Canada

(Jurisdiction of incorporation or organization)

98-1220792

(IRS Employer Identification No.)

243 Tresser Blvd, 17th Floor

Stamford, CT 06901

(Address of principal executive offices)

(647) 952-5049

(Registrant's telephone, including area code)

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Shares	ANY	Nasdaq Capital Market

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or 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 ☐
Non-accelerated filer ☒

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 has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2025 was approximately \$16.0 million based on the closing price on The Nasdaq Capital Market reported for such date.

As of March 23, 2026, there were 3,767,086 shares of the registrant’s common shares outstanding.

SPHERE 3D CORP.

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This Annual Report on Form 10-K contains forward-looking information that involves risks and uncertainties. This forward-looking information includes, but is not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of Sphere 3D. This forward-looking information relates to, among other things, future business plans and business planning process, uses of cash, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. The words "could", "expects", "may", "will", "anticipates", "assumes", "intends", "plans", "believes", "estimates", "guidance", and similar expressions are intended to identify statements containing forward-looking information, although not all forward-looking statements include such words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although forward-looking statements in this Annual Report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include without limitation those discussed under the heading "Risk Factors" in *Part I, Item 1A.* below, as well as those discussed elsewhere in this Annual Report. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report. We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Annual Report. Readers are urged to carefully review and consider the various disclosures made in this Annual Report, which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects. References to "Notes" are to the notes included in our Notes to Consolidated Financial Statements.

Any reference to "Sphere 3D", "the Company", "we", "our", "us", or similar terms refers to Sphere 3D Corp. and its wholly owned subsidiaries. The information, including any financial information, disclosed in this Annual Report on Form 10-K (the "Annual Report") is stated as at December 31, 2025 or for the year ended December 31, 2025, as applicable, unless otherwise indicated. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollar and references to "\$" are to the lawful currency of the United States ("U.S.").

PART I

Item 1. Business

Overview

Sphere 3D was incorporated under the Business Corporations Act (Ontario) on May 2, 2007 as T.B. Mining Ventures Inc. On March 24, 2015, we completed a short-form amalgamation with a wholly-owned subsidiary. In connection with the short-form amalgamation, we changed our name to "Sphere 3D Corp." Any reference to the "Company", "Sphere 3D", "we", "our", "us", or similar terms refers to Sphere 3D Corp. and its subsidiaries. In January 2022, we commenced operations of our Bitcoin mining business and are dedicated to becoming a leader in the blockchain and cryptocurrency industry. We have established and continue to grow an enterprise-scale mining operation through the procurement of mining equipment and partnering with experienced service providers. In December 2023, we sold our service and product segment which focused on containerization and virtualization technologies along with data management products that enabled workload-optimized solutions. We plan to continue to focus on growing our Bitcoin mining operation.

On February 9, 2026, we filed an Articles of Amendment to effect a share consolidation (also known as a reverse stock split) of our issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. Our common shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026. All share and per share amounts have been restated for all periods presented to reflect the share consolidation.

Business Combination

On March 5, 2026, we and Cathedra Bitcoin Inc. (“Cathedra”), entered into a definitive agreement to combine the two companies, in an all-stock transaction, to create a high density computing power infrastructure company focused on high-performance compute, digital assets, energy optimization, and development of power and infrastructure. The strategic combination is anticipated to enable near-term vertical integration, positioning the new entity to accelerate scalable, high-efficiency deployment across North America by leveraging a focus on low-cost power, and operational efficiency. Under the terms of the definitive arrangement agreement, entered into on March 5, 2026 (the “Arrangement Agreement”), we have agreed to acquire all of the issued and outstanding shares of Cathedra (the “Transaction”), subject to customary closing conditions, including regulatory, court, and shareholder approvals, such that upon consummation of the Transaction, Cathedra will be a wholly-owned subsidiary of the Company. If the Arrangement Agreement is terminated in certain specified circumstances, we or Cathedra would be required to pay the other party a termination fee of \$0.5 million.

Bitcoin and Blockchain

Bitcoin is a decentralized digital currency that operates on a peer-to-peer network, allowing users to send and receive payments without relying on banks or central authorities. It runs on a public blockchain, a distributed ledger where all transactions are recorded and secured through cryptographic verification. Within the Bitcoin ecosystem, there are three key participants: users, miners, and nodes. Users are individuals or businesses that send, receive, or store Bitcoin, typically using wallets. Miners are participants who use computational power to solve complex mathematical puzzles, validating transactions and adding them to the blockchain in exchange for newly minted Bitcoin and transaction fees as a reward for their work. Nodes are computers that maintain a full copy of the blockchain and help verify transactions, ensuring the network remains secure and decentralized. Together, these participants enable Bitcoin to function as a trustless, borderless, and censorship-resistant financial system.

In the Bitcoin network, transactions must be validated before they are added to the blockchain. When a user initiates a transaction, it is broadcast to the network and enters the mempool, where it awaits confirmation. Full nodes verify the transaction by checking the sender’s balance and digital signature against the blockchain’s history. Once verified, miners compete to include the transaction in a new block through a process called Proof of Work, where they solve a complex cryptographic puzzle to find a valid hash that meets the network’s difficulty requirements. The first miner to solve the puzzle broadcasts the new block to the network, and if other nodes verify its validity, it is permanently added to the blockchain. As a reward for securing the network, the winning miner receives a block reward, which consists of newly minted Bitcoin, currently 3.125 BTC, along with transaction fees paid by users. Over time, as the block reward continues to halve approximately every four years, transaction fees will become an increasingly important incentive for miners to continue securing the network. This system ensures Bitcoin remains decentralized, secure, and resistant to inflation.

Bitcoin Mining

We obtain Bitcoin as a result of our mining operations, and when necessary, we sell Bitcoin to support our operations and strategic growth. We mine Bitcoin in states which do not have any material state-specific regulatory restrictions on the mining of Bitcoin. However, it is possible that these states or other states in which we may seek to operate may create laws that would impede Bitcoin mining. We do not currently plan to engage in regular trading of Bitcoin other than sales to convert our Bitcoin into U.S. dollars. Decisions to hold or sell our Bitcoin is currently determined by management by analyzing forecasts and monitoring the market in real time. We have a hybrid treasury strategy to hold Bitcoin when possible and sell to fund working capital requirements.

A key component of the Bitcoin mining business segment is to acquire highly specialized computer servers (known in the industry as “miners”), which operate application-specific integrated circuit (“ASIC”) chips designed specifically to mine Bitcoin, and deploy such miners at-scale utilizing our hosting agreements. ASIC miners are the most effective and energy-efficient machines available today, and we believe deploying them at-scale, will enable us to continue growing our hashrate and optimize the output and longevity of our miners as they are deployed.

Our Bitcoin mining operation is focused on maximizing our ability to successfully mine Bitcoin by growing our hashrate (the amount of computer power we devote to supporting the Bitcoin blockchain), to increase our chances of successfully creating new blocks on the Bitcoin blockchain (a process known as “proof of work”). Generally, the greater share of the Bitcoin blockchain’s total network hashrate (the aggregate hashrate deployed to solving a block on the Bitcoin blockchain) a miner’s hashrate represents, the greater that miner’s chances of solving a block and, therefore, earning the block reward. As the proliferation of Bitcoin continues and the market price for Bitcoin increases, we expect additional miner operators to enter the market in response to an increased demand for Bitcoin which we anticipate to follow increased Bitcoin prices. As these new miner operators enter the market and as increasingly powerful miners are deployed in an attempt to solve a block, the Bitcoin blockchain’s network hashrate grows, meaning an existing miner must increase its hashrate at pace commensurate with the growth of network hashrate to maintain its relative chance of solving a block and earning a block reward. As we expect this trend to continue, we will need to continue growing our hashrate to compete in our dynamic and highly competitive industry.

As of December 31, 2025, we owned approximately 12,600 miners, of which approximately 4,200 were in service and have a total hashrate capacity of 0.73 exahash per second (“EH/s”). We are strategizing for our future growth by refreshing a significant portion of our fleet with newer-generation machines to bolster efficiency. Beginning March 2025, we have a self-owned 8 megawatt (“MW”) facility in Iowa (“Iowa Site”). As of February 2026, with the sale of approximately 7,700 older generation miners not in service for 437 newer generation miners, we have approximately 5,300 miners and our refresh of our miner fleet is substantially complete. Vertically integrating with self-owned facilities, such as our Iowa Site, allows us to reduce our reliance on third-party hosting sites and decrease our overall cost to mine a Bitcoin. As a result of our strategic changes, during the latter part of 2024 and ongoing, mining production has decreased as we focused on our long-term strategic goals of transitioning to lower-cost hosting sites, vertically integrating to own our own site, and refreshing our fleet with newer-generation machines.

In 2025, we mined 111.6 Bitcoin, which represented a decrease of 61.0% over the 286.3 Bitcoin we mined in 2024. The decrease was primarily due to the April 2024 halving event, our transition to lower-cost hosting sites, and refreshing our fleet with newer-generation machines. Based on our existing operations and expected deployment of miners we have purchased, we anticipate continuing to increase exahash throughout 2026. We do not have scheduled downtime for our miners. We periodically perform both scheduled and unscheduled maintenance on our miners. Depending on the type of repair, the miner may run at a reduced speed or be taken offline. We use software programs to monitor the performance of our machines. The miners owned as of December 31, 2025 have an average efficiency (joules per terahash – “J/th”) of 22.0 J/th compared to an average efficiency of 27.1 J/th in 2024. We expect efficiency to improve in 2026 to approximately 19.0 J/th. The miner efficiency is an indication of how efficiently we can earn Bitcoin and minimize cost to run the miner. Currently, we intend only to mine Bitcoin and we hold no other cryptocurrency other than Bitcoin. We do not have any power purchase agreements for the supply of power.

As of December 31, 2025, we held approximately 37.3 Bitcoin with a fair value of approximately \$3.3 million included on our consolidated balance sheet.

Mining Pools

A mining pool is a service operated by a mining pool operator that pools the resources of individual miners to share their processing power over a network. Mining pools emerged in response to the growing difficulty and network hash rate competing for Bitcoin rewards on the Bitcoin blockchain as a way of lowering costs and reducing the risk of an individual miner’s mining activities. The mining pool operator coordinates the computing power of the independent mining enterprises participating in the mining pool. Mining pools are subject to various risks such as disruption and down time. In the event that a pool we utilize experiences down time or is not yielding returns, our results may be impacted.

We are engaged with a Bitcoin mining pool operator as our customer, to provide a service to perform hash calculations for the mining pool operator, which is our only performance obligation. Providing hash calculation services is an output of our ordinary activities. We have a service agreement with Foundry Digital LLC, a mining pool operator, to provide a service to perform hash calculations. In exchange for providing the service, we are entitled to Full Pay Per Share (“FPPS”), which is a fractional share of the fixed Bitcoin award the mining pool operator receives, plus a fractional share of the transaction fees attached to that blockchain less net Bitcoin fees due to the mining pool operator over the measurement period, as applicable. The pay-outs received are based on the expected value from the block reward plus the transaction fee reward, regardless of whether the mining pool operator successfully records a block to the blockchain. In 2024 we also had a service agreement with an additional mining pool operator, Luxor Technology Corporation.

Our fractional share is based on a contractual formula, which primarily calculates the hashrate provided to the mining pool as a percentage of total network hashrate and other inputs. The contracts, which are less than 24 hours and continuously renew throughout the day, are terminable at any time by either party without compensation and our enforceable right to compensation only begins when we start providing the service to the mining pool operator, which begins daily at midnight Universal Time Coordinated (“UTC”). The terms, conditions, and compensation are at the current market rates, and accordingly the renewal option is not a material right. The contract arises at the point that we provide hash calculation services to the mining pool operator, which is the beginning of the contract day at midnight UTC time (contract inception), as customer consumption is in tandem with daily earnings of delivery of the service. According to the customer contract, daily earnings are calculated from midnight-to-23:59:59 UTC time, and the payout is made one hour later at 1:00 AM UTC time.

Hosting Agreements

On November 1, 2025, we entered into a Hosting Agreement with North Campbell HostCo LLC (the “Campbell Hosting Agreement”), for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of our mining equipment. The Campbell Hosting Agreement has an initial term of 12 months and can be terminated based on certain defaults defined in such agreements.

On April 19, 2024, we entered into a Master Hosting Agreement with Simple Mining LLC (“Simple Mining”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of our mining equipment. On September 25, 2024, we entered into Amendment No. 2 to the Master Hosting Agreement (“Simple Mining Hosting”) for certain of our mining machines to be hosted at Simple Mining’s facility in Iowa. The Simple Mining Hosting agreement has a term of two years and can be terminated by us with 30 days advance notice. On September 25, 2024, we entered into Amendment No. 3 to the Master Hosting Agreement (“Simple Mining XP Hosting”) for certain mining machines to be racked at Simple Mining’s facility in Iowa until our Iowa Site was completed. The Simple Mining XP Hosting agreement can be terminated by us with 30 days advance notice. In November 2025, the Simple Mining Hosting and Simple Mining XP Hosting agreements were mutually terminated.

On October 18, 2023, we entered into a Hosting Agreement with Joshi Petroleum, LLC (the “Joshi Hosting Agreement”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of our mining equipment. The Joshi Hosting Agreement has an initial term of three years with subsequent one year renewal periods until either party provides written notice to the other party of its desire to avoid and given renewal term at least 30 days in advance of the conclusion of the prior initial term or renewal period. Effective January 2, 2026, the Joshi Hosting Agreement was assigned to Evolution Technology LLC.

On April 4, 2023, we entered into a Master Hosting Services Agreement with Rebel Mining Company, LLC (the “Rebel Hosting Agreement”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of our mining equipment. The Rebel Hosting Agreement had a term of three years with subsequent one year renewal periods. During the year ended December 31, 2024, we recorded a \$0.9 million impairment to prepaid service fees held by Rebel Mining Company and is included in impairment of other assets on the consolidated statement of operations. On January 16, 2025, we terminated the Rebel Hosting Agreement and agreed to a settlement amount of \$2.4 million payable to us in satisfaction of all obligations of the Rebel Hosting Agreement and it constitutes a final settlement of all amounts owed by either party of the Rebel Hosting Agreement. For the year ended December 31, 2025, we recorded a \$0.3 million impairment for the portion of the settlement that was not received by us and is in default.

Management Agreement

In March 2025, we entered into a management services agreement with Simple Mining LLC (“Simple Mining”) to manage our Iowa Site for a term of 12 months, with automatic renewals for subsequent terms of 12 months unless terminated by either party with written notice 30 days prior to the expiration of the then current term.

At-the-Market Offering Program

On January 3, 2025, we entered into a sales agreement (the “AGP Agreement”) with A.G.P./Alliance Global Partners (the “Sales Agent”). In accordance with the terms of the AGP Agreement, the Company may offer and sell from time to time through or to the Sales Agent, as agent or principal, the Company's common shares having an aggregate offering price of up to \$8.0 million (the “Placement Shares”). The AGP Agreement can be terminated by either party by giving two days written notice.

Neither us nor the Sales Agent are obligated to sell any Placement Shares pursuant to the AGP Agreement. Subject to the terms and conditions of the AGP Agreement, the Sales Agent will use commercially reasonable efforts, consistent with its normal trading and sales practices and applicable state and federal law, rules and regulations and the rules of The Nasdaq Capital Market (“Nasdaq”), to sell the Placement Shares from time to time based upon our instructions, including any price, time or size limits or other customary parameters or conditions we may impose. Sales of the Placement Shares, if any, will be made on Nasdaq at market prices by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended.

Environmental Issues

At our Iowa Site, we purchase electricity from the electrical grid. No significant pollution or other types of hazardous emissions result from our direct operations, and it is not anticipated that our operations will be materially affected by federal, state or local provisions concerning environmental controls. Our costs of complying with environmental, health and safety requirements have not historically been material.

Some local, state and federal policymakers have expressed concerns over the energy consumption of data centers, including those supporting bitcoin mining, HPC, AI workloads, and the ancillary effects on the environment from that energy consumption. These concerns generally relate to grid reliability. We carefully monitor existing and pending climate change legislation, regulation and international treaties or accords for any material effect on our business or markets that we serve, our operational results, our capital expenditures or our financial position.

Intellectual Property

We actively use specific hardware and software for our Bitcoin mining operations. We do not currently own, and do not have any current plans to seek, any patents in connection with our Bitcoin mining operations.

Competitive Conditions

Our business is highly competitive and operates 24 hours a day, seven days a week. The primary drivers of competition are demand for Bitcoin and the ability to execute miner deployments to generate the highest returns while incurring the lowest costs to mine, thereby achieving maximum efficiency.

Our competition in the Bitcoin mining space fluctuates due to a number of factors, including, but not limited to, the value of Bitcoin rewards for mining, the amount of network hashrate, and the price of Bitcoin. We anticipate that over the long-term there will be a significant increase in the number of Bitcoin miners attempting to enter into, and expand, their Bitcoin mining activities. Our main competitors generally include other Bitcoin mining companies, both publicly listed and private. As more Bitcoin miners enter the mining industry, we expect additional pressure on the industry, with greater competition for access to mining rewards, competition for power and high-quality industrial scale mining infrastructure which is in limited supply.

We rely on both owned mining facilities and hosting arrangements to conduct our business, and the availability and stability of these arrangements remain uncertain and highly competitive. Hosting arrangements, in particular, may be affected by changes in regulations across different countries, while owned facilities present additional risks, including operational challenges, infrastructure maintenance, and energy costs. Significant competition for suitable mining data centers is expected to persist, and government regulations—such as local permitting requirements—could further restrict the ability of both hosted and owned mining operations to begin or continue operating in certain locations. These factors could impact our ability to secure adequate infrastructure to support some of our hashrate and maintain profitable mining operations.

For a more detailed description of competitive and other risks related to our business, see *Item 1A. Risk Factors*.

Protection of Bitcoin Assets

Our share of Bitcoin mined from our pool is initially received by us in wallets we control, which are maintained by BitGo Trust Company, Inc. (“BitGo”), a U.S.-based digital assets exchange. We hold our Bitcoin in cold storage. Bitcoin held in cold storage is reconciled monthly and associated with unique blockchain addresses, with their activity recorded on the blockchain. For security reasons, BitGo does not disclose the geographic location of its cold storage wallets to its customers. Our custody agreement with BitGo provides that BitGo will obtain and maintain at its sole expense insurance coverage in such types and amounts as are commercially reasonable for the custodial services provided under the custody agreement. We do not carry additional insurance coverage on our bitcoin holdings. Further, we are not aware of any insurance providers or other third parties having inspection or other verification rights associated with digital assets held in storage.

Bitcoin we mine or hold for our own account may be subject to loss, theft or restriction on access. Hackers or malicious actors may launch attacks to steal, compromise or secure bitcoins, such as by attacking the bitcoin network source code, exchanges, miners, third-party platforms (including BitGo), cold and hot storage locations or software, or by other means. We may be in control and possession of substantial holdings of Bitcoin, and as we increase in size, we may become a more appealing target of hackers, malware, cyberattacks or other security threats. See Part I, Item 1C. “Cybersecurity” of this Annual Report on Form 10-K.

Industry Trends

Bitcoin market prices have historically been volatile, and fluctuations in Bitcoin prices continue to materially influence the economics of Bitcoin mining and the availability of capital within the industry. Periods of elevated Bitcoin prices have historically enabled mining companies, including publicly traded operators, to access equity and debt capital markets to fund infrastructure expansion, equipment purchases, and operational growth. These capital inflows, together with continued improvements in mining hardware efficiency, have contributed to sustained increases in global network hashrate. As network hashrate has grown, mining difficulty has increased accordingly, resulting in greater competition among miners and increasing the importance of operational efficiency, access to low-cost and reliable energy sources, and prudent capital management. Competitive pressures are expected to persist, particularly during periods in which higher Bitcoin prices incentivize additional network participation.

In addition to changes in Bitcoin prices, miner revenues are influenced by the composition of block rewards, which consist of both the fixed block subsidy and transaction fees paid by network users. Transaction fee levels have historically been volatile and are largely dependent on overall network usage and demand for block space. Increased adoption of Bitcoin and evolving on-chain activity have periodically resulted in higher transaction fees, which are paid directly to miners and supplement the block subsidy earned upon successfully validating a block. Following the April 2024 halving event, which reduced the block subsidy to 3.125 BTC per block, transaction fees may represent a more meaningful component of total miner revenue over time; however, the magnitude and consistency of such fees remain uncertain and may fluctuate significantly.

The Bitcoin mining industry has also continued to evolve structurally, with many operators increasingly emphasizing the value of their underlying power infrastructure and data center capabilities. Access to scalable energy capacity has become a primary competitive differentiator, and certain mining companies have begun exploring or implementing diversification strategies, including high-performance computing, artificial intelligence, and data center hosting applications that leverage existing infrastructure. While these initiatives may provide opportunities to diversify revenue streams and improve asset utilization, they also introduce additional operational, capital, and market risks. As a result, the Bitcoin mining industry is increasingly characterized as a capital-intensive digital infrastructure sector operating at the intersection of energy markets, data center development, and digital asset production.

Governmental Regulations

We operate in a complex and rapidly evolving regulatory environment and are subject to a wide range of laws and regulations enacted by U.S. federal, state and local governments, governmental agencies and regulatory authorities, including the SEC, the Federal Trade Commission and the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, as well as similar entities in other countries. Other regulatory bodies, governmental or semi-governmental, have shown an interest in regulating or investigating companies engaged in the blockchain or cryptocurrency businesses.

Regulations may substantially change in the future and it is presently not possible to know how those regulations will apply to our businesses, or when they will be effective. As the regulatory and legal environment evolves, we may become subject to new laws and further regulation by the SEC and other agencies, which may affect our mining and other activities. For instance, various bills have been proposed in the U.S. Congress related to our business, which may be adopted and have an impact on us. Additionally, governmental agencies and regulatory authorities, such as the SEC, the Federal Trade Commission and the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, may also enact further regulations related to our business, which may have an impact on us. For additional discussion regarding our belief about the potential risks existing and future regulation pose to our business, see *Item 1A. Risk Factors—Risks Related to Our Business*.

Employees

As of December 31, 2025, we had four employees, two of which were full time.

Item 1A. Risk Factors

An investment in our Company involves a high degree of risk. Each of the following risk factors in evaluating our business and prospects as well as an investment in our Company should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the following risks occur, our business and financial results could be harmed and the trading price of our common shares could decline.

Risks Related to Our Business

Our total revenue is substantially dependent on the price of Bitcoin and volume of Bitcoin transactions. If such price or volume declines, our business, operating results, and financial condition would be adversely affected.

We generate all of our revenue from Bitcoin mining. As such, any declines in the volume of Bitcoin transactions, the price of Bitcoin, or market liquidity for Bitcoin generally may result in lower total revenue. The price of Bitcoin and associated demand for buying, selling, and trading Bitcoin have historically been subject to significant volatility. The price and trading volume of Bitcoin is subject to significant uncertainty and volatility, depending on a number of factors, including:

- market conditions of, and overall sentiment towards, Bitcoin;
- changes in liquidity, market-making volume, and trading activities;
- trading activities on other cryptocurrency trading platforms worldwide, many of which may be unregulated, and may include manipulative activities;
- investment and trading activities of highly active retail and institutional users, speculators, miners, and investors;

- the speed and rate at which Bitcoin is able to gain adoption as a medium of exchange, utility, store of value, consumptive asset, security instrument, or other financial assets worldwide, if at all;
- decreased investor confidence in Bitcoin and cryptocurrency trading platforms;
- negative media publicity and events relating to the cryptocurrency economy;
- unpredictable social media coverage or “trending” of, or other rumors and market speculation regarding Bitcoin;
- the ability for cryptocurrency to meet user and investor demands;
- the functionality and utility of Bitcoin and its associated ecosystems and networks;
- increased competition from other payment services or other cryptocurrency that exhibit better speed, security, scalability, or other characteristics;
- regulatory or legislative changes and updates affecting the cryptocurrency economy;
- the maintenance, troubleshooting, and development of the blockchain networks underlying assets, including by miners, validators, and developers worldwide;
- the ability for cryptocurrency networks to attract and retain miners or validators to secure and confirm transactions accurately and efficiently;
- ongoing technological viability and security of cryptocurrency and their associated smart contracts, applications and networks, including vulnerabilities against hacks and scalability;
- fees and speed associated with processing Bitcoin transactions, including on the underlying blockchain networks and on cryptocurrency trading platforms;
- financial strength of market participants;
- the availability and cost of funding and capital;
- the liquidity of cryptocurrency trading platforms;
- interruptions in service from or failures of major cryptocurrency trading platforms;
- availability of an active derivatives market for Bitcoin;
- availability of banking and payment services to support cryptocurrency-related projects;
- level of interest rates and inflation; and
- environmental, social, and governance (ESG) concerns about power and water consumption.

There is no assurance that Bitcoin will maintain its value or that there will be meaningful levels of trading activities. In the event that the price of Bitcoin or the demand for trading Bitcoin declines, our business, operating results, and financial condition would be adversely affected.

Our operating results have and will significantly fluctuate due to the highly volatile nature of Bitcoin.

Our operating results are dependent on Bitcoin and the broader cryptocurrency economy. Due to the highly volatile nature of the cryptocurrency economy and the prices of Bitcoin, our operating results have fluctuated, and will continue to fluctuate from quarter to quarter in accordance with market sentiments and movements in the broader cryptocurrency economy. Our operating results will continue to fluctuate significantly as a result of a variety of factors, many of which are unpredictable and in certain instances are outside of our control, including:

- our dependence on offerings that are dependent on Bitcoin trading activity, including trading volume and the prevailing trading prices for Bitcoin, whose trading prices and volume can be highly volatile;
- market conditions of, and overall sentiment towards, the cryptocurrency economy; and
- system failure, outages, or interruptions, including with respect to third-party cryptocurrency trading platforms.

As a result of these factors, it is challenging for us to forecast growth trends accurately and our business and future prospects are difficult to evaluate, particularly in the short term. Further, any decrease in the price of Bitcoin creates a risk of increased losses or impairments. In view of the rapidly evolving nature of our business and the cryptocurrency economy, period-to-period comparisons of our operating results may not be meaningful, and you should not rely upon them as an indication of future performance. Quarterly and annual expenses reflected in our financial statements may be significantly different from historical or projected rates. Our operating results in one or more future quarters may fall below the expectations of securities analysts and investors. As a result, the trading price of our common shares may increase or decrease significantly.

Significant disruption in the cryptocurrency market may harm our reputation.

The price of Bitcoin has increased and decreased significantly during recent periods, and various Bitcoin related companies filed for bankruptcy or otherwise restructured. Due to these disruptions in the cryptocurrency market, among others, our customers, suppliers and other business partners may deem our business to be risky and lose confidence to enter into business transactions with us on terms that we deem acceptable. For example, our suppliers may require higher deposits or advance payments from us. In addition, new regulations may subject us to investigation, administrative or regulatory proceedings, and civil or criminal litigation, all of which could harm our reputation and negatively affect our business operation and the value of our common shares. As of the date of this annual report, we do not believe that our operations or financial conditions associated have been materially impacted by any reputational harm that we may face in light of the recent disruption in the cryptocurrency market. However, there is no guarantee that such disruption or any reputational harm resulting therefrom will not have a material adverse effect on our business, financial condition and results of operations in the future.

The future development and growth of cryptocurrency is subject to a variety of factors that are difficult to predict and evaluate. If cryptocurrency does not grow as we expect, our business, operating results, and financial condition could be adversely affected.

Cryptocurrency built on blockchain technology were only introduced in 2008. Cryptocurrency is designed for different purposes. Bitcoin, for instance, was designed to serve as a peer-to-peer electronic cash system, while Ethereum was designed to be a smart contract and decentralized application platform. Many other cryptocurrency networks, ranging from cloud computing to tokenized securities networks, have only recently been established. The further growth and development of any cryptocurrency and their underlying networks and other cryptographic and algorithmic protocols governing the creation, transfer, and usage of cryptocurrency represents a new and evolving paradigm that is subject to a variety of factors that are difficult to evaluate, including:

- many cryptocurrency networks have limited operating histories, have not been validated in production, and are still in the process of developing and making significant decisions that will affect the design, supply, issuance, functionality, and governance of their respective cryptocurrency and underlying blockchain networks, any of which could adversely affect their respective cryptocurrency;
- many cryptocurrency networks are in the process of implementing software upgrades and other changes to their protocols, which could introduce bugs, security risks, or adversely affect the respective cryptocurrency networks;
- security issues, bugs, and software errors have been identified with many cryptocurrencies and their underlying blockchain networks, some of which have been exploited by malicious actors. There are also inherent security weaknesses in some cryptocurrencies, such as when creators of certain cryptocurrency networks use procedures that could allow hackers to counterfeit tokens. Any weaknesses identified with cryptocurrency could adversely affect its price, security, liquidity, and adoption. If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the compute or staking power on a cryptocurrency network, as has happened in the past, it may be able to manipulate transactions, which could cause financial losses to holders, damage the network's reputation and security, and adversely affect its value;
- if rewards and transaction fees for miners or validators on any particular cryptocurrency network are not sufficiently high to attract and retain miners, a cryptocurrency network's security and speed may be adversely affected, increasing the likelihood of a malicious attack; and

- many cryptocurrency networks are in the early stages of developing partnerships and collaborations, all of which may not succeed and adversely affect the usability and adoption of the respective cryptocurrency.

Various other technical issues have also been uncovered from time to time that resulted in disabled functionalities, exposure of certain users' personal information, theft of users' assets, and other negative consequences, and which required resolution with the attention and efforts of their global miner, user, and development communities. If any such risks or other risks materialize, and in particular if they are not resolved, the development and growth of cryptocurrency may be significantly affected and, as a result, our business, operating results, and financial condition could be adversely affected.

Changing environmental regulation and public energy policy may expose our business to new risks.

Bitcoin mining operations require a substantial amount of power and can only be successful, and ultimately profitable, if the costs we incur, including for electricity, are lower than the revenue we generate from our operations. As a result, any mine we establish can only be successful if we can obtain sufficient electrical power for such mine on a cost-effective basis, and our establishment of new mines requires us to find locations where that is the case. For instance, our plans and strategic initiatives for expansion are based, in part, on our understanding of current environmental and energy regulations, policies, and initiatives enacted by regulators, and any such regulations that may be adopted in the future. Although we are not currently subject to environmental and energy regulations, policies or initiatives related to our Bitcoin mining operations in Missouri, Texas and Iowa, the states in which we mine Bitcoin, if new regulations in these jurisdictions are imposed, or if we begin mining Bitcoin in other jurisdictions that have such regulations, policies or initiatives, the assumptions we made underlying our plans and strategic initiatives may be inaccurate, and we may incur additional costs to adapt our planned business, if we are able to adapt at all, to such regulations.

There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty for our business because the Bitcoin mining industry, with its high energy demand, may become a target for future environmental and energy regulation. New legislation and increased regulation regarding climate change could impose significant costs on us and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs to comply with such regulations. Further, any future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. One such example is the recently passed legislation in the state of New York imposing a two-year moratorium on certain Bitcoin mining operations that run carbon-based power.

Given the political significance and uncertainty around the impact of climate change and how it should be addressed, we cannot predict how legislation and regulation will affect our financial condition and results of operations. Further, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. Any of the foregoing could result in a material adverse effect on our business and financial condition.

Bitcoin mining activities are energy-intensive, which may restrict the geographic locations of miners and have a negative environmental impact. Government regulators may potentially restrict the ability of electricity suppliers to provide electricity to mining operations, such as ours, or even fully or partially ban mining operations.

Mining Bitcoin requires large amounts of electrical power, and electricity costs are expected to account for a significant portion of our overall costs. The availability and cost of electricity may restrict the geographic locations of our mining activities. Any shortage of electricity supply or increase in electricity costs in any location where we plan to operate may negatively impact the viability and the expected economic return for Bitcoin mining activities in that location and may negatively impact our business model. While the increase in cost of power is mitigated by our fixed price contracts, we are unable to control power outages due to factors such as inclement weather or state requests to curtail our use of power may impact our gross profit. Although we do not have any power purchase contracts directly with any utilities, we have been advised by our hosting partners that they have such contracts. In most cases we have a fixed cost of power built into our contracts with our hosting partners.

Further, our business model can only be successful and our mining operations can only be profitable if the costs, including electrical power costs, associated with Bitcoin mining are lower than the price of Bitcoin itself. As a result, any mining operation we establish can only be successful if we can obtain sufficient electrical power for that site on a cost-effective basis, and our establishment of new mining data centers requires us to find sites where that is the case. Even if our electrical power costs do not increase, significant fluctuations in, and any prolonged periods of, low Bitcoin prices will decrease our gross profit and may also cause our electrical supply to no longer be cost-effective.

Furthermore, there may be significant competition for suitable cryptocurrency mining sites, and government regulators, including local permitting officials, may potentially restrict our ability to set up cryptocurrency mining operations in certain locations. They can also restrict the ability of electricity suppliers to provide electricity to mining operations in times of electricity shortage, or may otherwise potentially restrict or prohibit the provision of electricity to mining operations. In addition, if cryptocurrency mining becomes more widespread, government scrutiny related to restrictions on cryptocurrency mining facilities and their energy consumption may significantly increase. The considerable consumption of electricity by mining operators may also have a negative environmental impact, including contribution to climate change, which could set the public opinion against allowing the use of electricity for Bitcoin mining activities or create a negative consumer sentiment and perception of Bitcoin. This, in turn, could lead to governmental measures restricting or prohibiting cryptocurrency mining or the use of electricity for Bitcoin mining activities. Any such development in the jurisdictions where we plan to operate could increase our compliance burdens and have a material adverse effect on our business, prospects, financial condition, and operating results. Government regulators in other countries may also ban or substantially limit their local cryptocurrency mining activities, which could have a material effect on our supply chains for mining equipment or services and the price of Bitcoin. It could also increase our domestic competition as some of those cryptocurrency miners or new entrants in this market may consider moving their cryptocurrency mining operations or establishing new operations in the United States.

Additionally, our mining operations could be materially adversely affected by power outages and similar disruptions. Given the power requirements for our mining equipment, it would not be feasible to run this equipment on back-up power generators in the event of a government restriction on electricity or a power outage. If we are unable to receive adequate power supply and are forced to reduce our operations due to the availability or cost of electrical power, it would have a material adverse effect on our business, prospects, financial condition, and operating results.

Concerns about greenhouse gas emissions and global climate change may result in environmental taxes, charges, assessments, penalties or litigation, and could have a material adverse effect on our business, financial condition and results of operations.

The effects of human activity on global climate change have attracted considerable public and scientific attention, as well as the attention of the United States and other governments. Efforts are being made to reduce greenhouse gas emissions, particularly those from coal combustion power plants, upon which some of our hosting facility suppliers may rely for power. The added cost of any environmental taxes, charges, assessments or penalties levied on such power plants, or the cost of litigation filed against such power plants, could be passed on to us. Any enactment of laws or promulgation of regulations regarding greenhouse gas emissions by the United States, or any domestic or foreign jurisdiction in which we conduct business, could have a material adverse effect on our business, financial condition, or results of operations. In addition, as a result of negative publicity regarding environmental concerns associated with Bitcoin mining, some companies have ceased accepting Bitcoin for certain types of purchases, and additional companies may do so in the future, which may have a material adverse effect on our business, financial condition or results of operations.

We rely on hosting arrangements to conduct our business, and the availability of such hosting arrangements is uncertain and competitive and may be affected by changes in regulation in one or more countries.

If we are unable to successfully enter into definitive hosting agreements with mining data centers on favorable terms or those counterparties fail to perform their obligations under such agreements, we may be forced to seek alternative mining data centers to host its mining equipment.

Significant competition for suitable mining data centers is expected to continue, and other government regulators, including local permitting officials, may potentially restrict the ability of potential mining data centers to begin or continue operations in certain locations. They can also restrict the ability of electricity suppliers to provide electricity to mining operations in times of electricity shortage, or may otherwise potentially restrict or prohibit the provision of electricity to mining operations.

We face risks of downtime at hosting sites due to excessive weather or heat, which could have an adverse effect on the mining of Bitcoin and impact our revenues.

A disruption at hosting sites may affect the mining of Bitcoin. Generally, Bitcoin and our business of mining Bitcoin is dependent upon consistent operations at hosting sites. A significant disruption in a hosting site's ability to function due to adverse weather could disrupt mining operations until the disruption is resolved and have an adverse effect on our ability to mine Bitcoin, impacting our revenues.

We may be affected by price fluctuations in the wholesale and retail power markets.

Market prices for power, generation capacity and ancillary services, are unpredictable. Depending upon the effectiveness of any price risk management activity undertaken by us, including but not limited to attempts to secure hosting services contracts at fixed fees, an increase in market prices for power, generation capacity, and ancillary services may adversely affect our business, prospects, financial condition, and operating results. Long- and short-term power prices may fluctuate substantially due to a variety of factors outside of our control, including, but not limited to:

- increases and decreases in generation capacity;
- changes in power transmission or fuel transportation capacity constraints or inefficiencies;
- demand response/mandatory curtailments;
- volatile weather conditions, particularly unusually hot or mild summers or unusually cold or warm winters;
- technological shifts resulting in changes in the demand for power or in patterns of power usage, including the potential development of demand-side management tools, expansion and technological advancements in power storage capability and the development of new fuels or new technologies for the production or storage of power;
- federal and state power, market and environmental regulation and legislation; and
- changes in capacity prices and capacity markets.

If we are unable to secure consistent power supply at prices or on terms acceptable to it, it would have a material adverse effect on our business, prospects, financial condition, and operating results.

As cryptocurrency may be determined to be investment securities, we may inadvertently violate the Investment Company Act of 1940 and incur large losses and third party liabilities as a result and potentially be required to register as an investment company or terminate operations.

We believe that we are not engaged in the business of investing, reinvesting, or trading in securities, and we do not hold ourselves out as being engaged in those activities. However, under the Investment Company Act of 1940 (the "Investment Company Act"), a company may be deemed an investment company under section 3(a)(1)(C) thereof if the value of its investment securities is more than 40% of its total assets (exclusive of government securities and cash items) on an unconsolidated basis.

As a result of our investments and our mining activities, the investment securities we hold could exceed 40% of our total assets, exclusive of cash items and, accordingly, we could determine that we have become an inadvertent investment company. The cryptocurrency that we own, acquire or mine may be deemed an investment security by the SEC, and although we do not believe any of the cryptocurrency we own, acquire or mine are securities, any determination we make regarding whether cryptocurrency is a security is a risk-based assessment, not a legal standard binding on a regulatory body or court, and does not preclude legal or regulatory action. In general, novel or unique assets such as Bitcoin may be classified as securities if they meet the definition of investment contracts under U.S. law. In recent years, the offer and sale of cryptocurrency other than Bitcoin, most notably Kik Interactive Inc.'s Kin tokens and Telegram Group Inc.'s TON tokens, have been deemed to be investment contracts by the SEC. The SEC has also sued Genesis Global Capital LLC and Gemini Trust Company LLC over their crypto-lending program that allegedly violated

investor-protection laws. Therefore, we cannot provide any assurances that Bitcoin we mine or otherwise acquire or hold for our own account will never be classified as a security under U.S. law. If Bitcoin were to be classified as a security under U.S. law, we would be obligated to comply with certain requirements by the SEC, which would cause us to incur significant, non-recurring expenses which would materially and adversely impact our business, prospects, financial condition, and operating results.

An inadvertent investment company can avoid being classified as an investment company if it can rely on one of the exclusions under the Investment Company Act. One such exclusion, Rule 3a-2 under the Investment Company Act, allows an inadvertent investment company a grace period of one year from the earlier of (a) the date on which an issuer owns securities and/or cash having a value exceeding 50% of the issuer's total assets on either a consolidated or unconsolidated basis and (b) the date on which an issuer owns or proposes to acquire investment securities having a value exceeding 40% of the value of such issuer's total assets (exclusive of government securities and cash items) on an unconsolidated basis. As of the date of this report, we do not believe we are an inadvertent investment company. We may take actions to cause the investment securities held by us to be less than 40% of our total assets, which may include acquiring assets with our cash and Bitcoin on hand or liquidating our equity investment securities or B or seeking a no-action letter from the SEC if we are unable to acquire sufficient assets or liquidate sufficient investment securities in a timely manner.

As the Rule 3a-2 exception is available to a company no more than once every three years, and assuming no other exclusion were available to us, we would have to keep within the 40% limit for at least three years after we cease being an inadvertent investment company. This may limit our ability to make certain investments or enter into joint ventures that could otherwise have a positive impact on our earnings. In any event, we do not intend to become an investment company engaged in the business of investing and trading securities.

Classification as an investment company under the Investment Company Act requires registration with the SEC. If an investment company fails to register, it would have to stop doing almost all business, and its contracts would become voidable. Registration is time consuming and restrictive and would require a restructuring of our operations, and we would be very constrained in the kind of business we could do as a registered investment company. Further, we would become subject to substantial regulation concerning management, operations, transactions with affiliated persons and portfolio composition, and would need to file reports under the Investment Company Act regime. The cost of such compliance would result in us incurring substantial additional expenses, and the failure to register if required would have a materially adverse impact to conduct our operations.

If regulatory changes or interpretations of our activities require registration as a money services business under the regulations promulgated by The Financial Crimes Enforcement Network under the authority of the U.S. Bank Secrecy Act, we may be required to register and comply with such regulations. If regulatory changes or interpretations of our activities require the licensing or other registration of us as a money transmitter (or equivalent designation) under state law in any state in which we operate, we may be required to seek licensure or otherwise register and comply with such state law. In the event of any such requirement, to the extent we decide to continue operating, the required registrations, licensure and regulatory compliance steps may result in extraordinary, non-recurring expenses to us. We may also decide to cease operations. Any termination of certain operations in response to the changed regulatory circumstances may be at a time that is disadvantageous to investors.

To the extent that our activities cause us to be deemed a money service business under the regulations promulgated by the Financial Crimes Enforcement Network of the U.S. Treasury Department ("FinCEN") under the authority of the U.S. Bank Secrecy Act, we may be required to comply with FinCEN regulations, including those that would mandate us to implement anti-money laundering programs, make certain reports to FinCEN and maintain certain records.

To the extent that our activities cause us to be deemed a money transmitter or equivalent designation under state law in any state in which we operate, we may be required to seek a license or otherwise register with a state regulator and comply with state regulations that may include the implementation of anti-money laundering programs, maintenance of certain records and other operational requirements. Currently, the New York Department of Financial Services has finalized its "BitLicense" framework for businesses that conduct Bitcoin business activity. We will continue to monitor for developments in New York legislation, guidance, and regulations.

Such additional federal or state regulatory obligations may cause us to incur extraordinary expenses, possibly affecting our business in a material and adverse manner. Furthermore, we and our service providers may not be capable of complying with certain federal or state regulatory obligations applicable to money service businesses and money transmitters. If we are deemed to be subject to and determine not to comply with such additional regulatory and registration requirements, we may act to dissolve and liquidate us. Any such action may adversely affect an investment in us.

Regulatory changes or actions in one or more countries or jurisdictions may alter the nature of an investment in us or restrict the use of cryptocurrency in a manner that adversely affects our business, prospects or operations.

As cryptocurrency has grown in both popularity and market size, governments around the world have reacted differently, with certain governments deeming cryptocurrency illegal, and others allowing their use and trade without restriction. In some jurisdictions, such as in the United States, cryptocurrency is subject to extensive regulatory requirements. Several countries have taken and may continue to take regulatory actions in the future that could severely restrict our right to mine, acquire, own, hold, sell or use cryptocurrency or to exchange for local currency. For example, in China it is illegal to accept payment in Bitcoin and other cryptocurrency for consumer transactions and banking institutions are barred from accepting deposits of cryptocurrency.

Cryptocurrency is viewed differently by different regulatory and standards setting organizations globally as well as in the United States on the federal and state levels. For example, the Financial Action Task Force (“FATF”) and the Internal Revenue Service (“IRS”) consider a cryptocurrency as currency or an asset or property. Further, the IRS applies general tax principles that apply to property transactions to transactions involving cryptocurrency.

If regulatory changes or interpretations require the regulation of cryptocurrency under the securities laws of the United States or elsewhere, including the Securities Act of 1933, the Exchange Act and the Investment Company Act or similar laws of other jurisdictions and interpretations by the SEC, the Commodity Futures Trading Commission (“CFTC”), the IRS, Department of Treasury or other agencies or authorities, we may be required to register and comply with such regulations, including at a state or local level. To the extent that we decide to continue operations, the required registrations and regulatory compliance steps may result in extraordinary expense or burdens to us. Should compliance with these laws become overly burdensome and unprofitable we may decide to cease certain operations and change our business model.

Current and future legislation and SEC rule-making and other regulatory developments, including interpretations released by a regulatory authority, may impact the manner in which cryptocurrency is viewed or treated for classification and clearing purposes. In particular, cryptocurrency may not be excluded from the definition of “security” by SEC rule making or interpretation requiring registration of all transactions unless another exemption is available, including transacting in cryptocurrency among owners and require registration of trading platforms as “exchanges”.

Due to concerns around resource consumption and associated environmental concerns, particularly as such concerns relate to public utilities companies, various countries, states, and cities have implemented, or are considering implementing, moratoriums on Bitcoin mining in their jurisdictions. Such moratoriums would impede Bitcoin mining and/or Bitcoin use more broadly. For example, in November 2022, New York imposed a two-year moratorium on new proof-of-work mining permits at fossil fuel plants in the state. Although we do not mine in New York, it is possible that other states may create similar laws that could have a material adverse effect on our business, financial condition and results of operations.

We cannot be certain as to how future regulatory developments will impact the treatment of cryptocurrency under the law. If we fail to comply with such additional regulatory and registration requirements, we may seek to cease certain of our operations or be subjected to fines, penalties, and other governmental action. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue its business model at all, which could have a material adverse effect on its business, prospects or operations and potentially the value of Bitcoin we plan to hold or expect to acquire for our own account.

Our business is dependent on a small number of Bitcoin mining equipment suppliers.

Our business is dependent upon Bitcoin mining equipment suppliers providing an adequate supply of new generation Bitcoin mining machines at economical prices to customers intending to purchase our hosting and other solutions. The growth in our business is directly related to increased demand for hosting services and Bitcoin which is dependent in large part on the availability of new generation mining machines offered for sale at a price conducive to profitable Bitcoin mining, as well as the trading price of Bitcoin. The market price and availability of new mining machines fluctuates with the price of cryptocurrency and can be volatile. In addition, as more companies seek to enter the mining industry, the demand for machines may outpace supply and create mining machine equipment shortages. There are no assurances that cryptocurrency mining equipment suppliers will be able to keep pace with any surge in demand for mining equipment. We currently do not have an agreement with our suppliers to purchase additional machines, and therefore there is no guarantee that we will be able to purchase machines on terms acceptable to us. We intend to complete one or more financings to provide liquidity to purchase additional machines, at which point we expect to enter into an agreement with one or more machine suppliers to purchase additional machines. Further, manufacturing mining machine purchase contracts are not favorable to purchasers and even if we do enter into agreements with our suppliers, we may have little or no recourse in the event a mining machine manufacturer defaults on its mining machine delivery commitments. If we and our customers are not able to obtain a sufficient number of Bitcoin mining machines at favorable prices, our growth expectations, liquidity, financial condition and results of operations will be negatively impacted.

Bitcoin mining machines rely on components and raw materials that may be subject to price fluctuations or shortages, including ASIC chips that have been subject to a significant shortage.

In order to build and sustain our self-mining operations we will depend on third parties to provide us with ASIC chips and other critical components for our mining equipment, which may be subject to price fluctuations or shortages. For example, the ASIC chip is the key component of a mining machine as it determines the efficiency of the device. The production of ASIC chips typically requires highly sophisticated silicon wafers, which currently only a small number of fabrication facilities, or wafer foundries, in the world are capable of producing. We believe that the previous microchip shortage that the entire industry experienced led to price fluctuations and disruption in the supply of key miner components. Specifically, the ASIC chips have recently been subject to a significant price increases and shortages.

We do not currently have agreements in place for the supply of ASIC chips. There is a risk that a manufacturer or seller of ASIC chips or other necessary mining equipment may adjust the prices based on fluctuations in cryptocurrency prices or otherwise, and the cost of new machines could become unpredictable and extremely high. As a result, at times, we may be forced to obtain Bitcoin mining machines and other hardware at premium prices, to the extent they are even available. Such events could have a material adverse effect on our business, prospects, financial condition, and operating results.

Our miners are designed to mine Bitcoin and may not be readily adaptable to other uses, a sustained decline in Bitcoin value could adversely affect our business and results of operations.

We have invested substantial capital in acquiring miners using ASIC chips designed specifically to mine Bitcoin using the 256-bit secure hashing algorithm (“SHA-256”) as efficiently and as rapidly as possible based on our assumption that we will be able to use them to mine Bitcoin and generate revenue from our operations. Therefore, our Bitcoin mining operations focus exclusively on mining Bitcoin, and our Bitcoin mining revenue is based on the value of Bitcoin we mine. Accordingly, if the value of Bitcoin declines and fails to recover, for example, because of the development and acceptance of competing blockchain platforms or technologies, including competing cryptocurrencies which our miners may not be able to mine, the revenue we generate from our Bitcoin mining operations will likewise decline. Moreover, because our miners use these highly specialized ASIC chips, we may not be able to successfully repurpose them in a timely manner, if at all, to other uses, following a sustained decline in Bitcoin value or if the Bitcoin blockchain stops using SHA-256 for solving blocks. This would result in a material adverse effect on our business and could potentially impact our ability to continue as a going concern.

The impact of geopolitical and economic events on the supply and demand for cryptocurrency is uncertain.

Geopolitical crises may motivate large-scale purchases of cryptocurrency, which could increase the price of cryptocurrency rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior dissipates, adversely affecting the value of our inventory following such downward adjustment. Such risks are similar to the risks of purchasing commodities in uncertain times, such as the risk of purchasing, holding or selling gold. Alternatively, as an emerging asset class with limited acceptance as a payment system or commodity, global crises and general economic downturns may discourage investment in cryptocurrency as investors focus their investment on less volatile asset classes as a means of hedging their investment risk.

As an alternative to fiat currencies that are backed by central governments, cryptocurrency, which is relatively new, is subject to supply and demand forces. How such supply and demand will be impacted by geopolitical events is largely uncertain but could be harmful to us. Political or economic crises may motivate large-scale acquisitions or sales of cryptocurrency either globally or locally. Such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account.

We may not be able to compete with other companies, some of whom have greater resources and experience.

We may not be able to compete successfully against present or future competitors. We do not have the resources to compete with larger providers of similar services at this time. The cryptocurrency industry has attracted various high-profile and well-established operators, some of which have substantially greater liquidity and financial resources than we do. With the limited resources we have available, we may experience great difficulties in expanding and improving our network of computers to remain competitive. Competition from existing and future competitors, particularly those that have access to competitively-priced energy, could result in our inability to secure acquisitions and partnerships that we may need to expand our business in the future. This competition from other entities with greater resources, experience and reputations may result in our failure to maintain or expand our business, as we may never be able to successfully execute our business plan. If we are unable to expand and remain competitive, our business could be negatively affected.

The mining data centers at which we maintain our mining equipment may experience damages, including damages that are not covered by insurance.

The mining data centers at which we maintain our mining equipment are, and any future mining data centers at which we maintain our mining equipment will be, subject to a variety of risks relating to physical condition and operation, including:

- the presence of construction or repair defects or other structural or building damage;
- any non-compliance with or liabilities under applicable environmental, health or safety regulations or requirements or building permit requirements;
- any damage resulting from natural disasters, such as hurricanes, earthquakes, fires, floods, and windstorms; and
- claims by employees and others for injuries sustained at our properties.

For example, the mining data centers at which we maintain our mining equipment could be rendered inoperable, temporarily or permanently, as a result of a fire or other natural disaster or by a terrorist or other attack on the facilities where our mining equipment is located. Although we have multiple sites in an effort to mitigate this risk, these and other measures we take to protect against these risks may not be sufficient. Any property insurance we obtain in the future may not be adequate to cover any losses we suffer as a result of any of these events. In the event of an uninsured loss, including a loss in excess of insured limits, at any of the mining data centers at which we maintain our mining equipment, such mining data centers may not be adequately repaired in a timely manner or at all and we may lose some or all of the future revenues anticipated to be derived from our equipment located at such mining data centers.

The dynamic nature of cryptocurrency exchanges which Bitcoin, and other cryptocurrency, are traded on may cause disruptions in the cryptocurrency markets, which may expose us to the effects of negative publicity resulting from fraudulent actors in the cryptocurrency space, and can adversely affect an investment in us.

The cryptocurrency exchanges on which Bitcoin is traded are relatively new. Many cryptocurrency exchanges do not provide the public with significant information regarding their ownership structure, management teams, corporate practices, or regulatory compliance. As a result, the marketplace may lose confidence in, or may experience problems relating to, such cryptocurrency exchanges, including prominent exchanges handling a significant portion of the volume of cryptocurrency trading. In the recent past, a number of companies in the cryptocurrency industry declared bankruptcy. Such bankruptcies have contributed, at least in part, to further price volatility in most cryptocurrencies, a loss of confidence in the participants of the cryptocurrency ecosystem and negative publicity surrounding cryptocurrencies more broadly, and other participants and entities in the cryptocurrency industry have been, and may continue to be, negatively affected. These events have also negatively impacted the demand for the cryptocurrency markets. As a result of these events, many cryptocurrency markets, including the market for Bitcoin, have experienced increased price volatility. The Bitcoin ecosystem may continue to be negatively impacted and experience long term volatility if public confidence decreases. These events are continuing to develop and it is not possible to predict, at this time, every risk that they may pose to us, our service providers, or the cryptocurrency industry as a whole. A perceived lack of stability in the cryptocurrency exchange market and the closure or temporary shutdown of cryptocurrency exchanges due to business failure, hackers or malware, government-mandated regulation, or fraud, may reduce confidence in cryptocurrency networks and result in greater volatility in cryptocurrency values. These potential consequences of a cryptocurrency exchange's failure could adversely affect an investment in us.

It may be illegal now, or in the future, to acquire, own, hold, sell, or use cryptocurrency, participate in blockchains or utilize similar cryptocurrency in one or more countries, the ruling of which would adversely affect us.

As cryptocurrency has grown in both popularity and market size, governments around the world have reacted differently to cryptocurrency; certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as in the United States, subject to extensive and evolving regulatory requirements. Until recently, little, or no regulatory attention has been directed toward cryptocurrency by U.S. federal and state governments, foreign governments, and self-regulatory agencies. As cryptocurrency has grown in popularity and in market size, the Federal Reserve Board, U.S. Congress, and certain U.S. agencies have begun to examine cryptocurrency in more detail.

One or more countries, including but not limited to China, which have taken harsh regulatory action in the past, may take regulatory actions in the future that could severely restrict the right to acquire, own, hold, sell, or use cryptocurrency or to exchange for fiat currency. In many nations, particularly in China, it is illegal to accept payment in cryptocurrency for consumer transactions and banking institutions are barred from accepting deposits of cryptocurrency. Such restrictions may adversely affect us as the large-scale use of cryptocurrency as a means of exchange is presently confined to certain regions globally. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our strategy at all, which could have a material adverse effect on our business, prospects, or operations, and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account, and harm investors.

Investors may not have the same protections that exist for traditional stock exchanges.

Traditional stock exchanges have listing requirements and vet issuers, requiring them to be subjected to rigorous listing standards and rules, and monitor investors transacting on such platform for fraud and other improprieties. Depending on a ledger-based platform's controls and the other policies of the ledger-based platform on which a given cryptocurrency trades, such cryptocurrency may not benefit from the protections afforded to traditional stock exchanges. For ledger-based platforms that do not provide sufficient protections, there is a risk of fraud and manipulation. These factors may decrease liquidity or volume of a given ledger-based platform or of the cryptocurrency industry in general or may otherwise increase volatility of investment securities or other assets trading on a ledger-based system. Such potential decreased liquidity or volume, or increase in volatility may adversely affect us, and could have a material adverse effect on our business, prospects, or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account and harm investors.

Our operations, investment strategies and profitability may be adversely affected by competition from other methods of investing in cryptocurrency.

We compete with other users and/or companies that are mining cryptocurrency and other potential financial vehicles, including securities backed by or linked to cryptocurrency through entities similar to us. Market and financial conditions, and other conditions beyond our control, may make it more attractive to invest in other financial vehicles, or to invest in cryptocurrency directly. The emergence of other financial vehicles and exchange-traded funds have been scrutinized by regulators and such scrutiny and the negative impressions or conclusions resulting from such scrutiny could be applicable to us and impact our ability to successfully pursue our strategy or operate at all, or to establish or maintain a public market for our securities. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our strategy at all, which could have a material adverse effect on our business, prospects, or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account, and harm investors.

Cryptocurrency may be subject to loss, theft, or restriction on access.

There is a risk that some or all of our Bitcoin that we own could be lost or stolen. Cryptocurrency is stored in sites commonly referred to as “wallets” by holders of cryptocurrency which may be accessed to exchange a holder’s cryptocurrency. Access to our Bitcoin could also be restricted by cybercrime (such as a denial of service attack). Cold storage refers to any cryptocurrency wallet that is not connected to the Internet. Cold storage is generally more secure than hot storage, but is not ideal for quick or regular transactions and we may experience lag time in our ability to respond to market fluctuations in the price of our Bitcoin. We expect to hold our Bitcoin in a combination of insured institutional custody services and multi signature cold storage wallets, and maintain secure backups to reduce the risk of malfeasance, but the risk of loss of our Bitcoin cannot be wholly eliminated. Any restrictions on access to our Bitcoin due to cybercrime or other reasons could limit our ability to convert cryptocurrency to cash, potentially resulting in liquidity issues. Currently, we have Bitcoin wallets custodied by Bitgo and Coinbase (each, a “Custodian” and together, the “Custodians”). All of our wallets held by the Custodians are cold wallets. Such arrangements are governed by each Custodian’s terms of service, and we do not have an agreement with either Custodian other than such terms of service. When we decide to sell Bitcoin, we transfer it from our digital wallets held by the applicable Custodian to our trading account wallet, which is held by us. We do not currently have a specific policy for how or when to sell Bitcoin for fiat currency to fund our operations for growth or through what exchange we do so, or whether we should hold our mining rewards for investment purposes. Currently, our Bitcoin is not held for long periods of time and it is generally sold in order to fund our operations. Transfers through Bitgo over a certain size require video conference verification to ensure that the request came from one of our authorized signors, and that we in fact authorized the transfer in question.

Hackers or malicious actors may launch attacks to steal, compromise or secure cryptocurrency. As we increase in size, we may become a more appealing target of hackers, malware, cyber-attacks, or other security threats. Any of these events may adversely affect our operations and, consequently, our investments and profitability. The loss or destruction of a private key required to access our digital wallets may be irreversible and we may be denied access for all time to our Bitcoin holdings or the holdings of others held in those compromised wallets. Our loss of access to our private keys or a data loss relating to our digital wallets could adversely affect our investments and assets.

Cryptocurrency is controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet’s public key or address is reflected in the network’s public blockchain. To the extent such private keys are lost, destroyed, or otherwise compromised, we will be unable to access our Bitcoin rewards and such private keys may not be capable of being restored by any network. Any loss of private keys relating to digital wallets used to store our Bitcoin could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects, or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account.

We may not have adequate sources of recovery if our Bitcoin holdings are lost, stolen or destroyed.

We rely on BitGo to facilitate the custody of our Bitcoin. If our Bitcoin holdings are lost, stolen or destroyed under circumstances rendering a party, including BitGo, liable to us, the responsible party may not have the financial resources sufficient to satisfy our claim. For example, as to a particular event of loss, the only source of recovery for us might be limited, to the extent identifiable, to other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of ours. While BitGo maintains insurance coverage of such types and amounts as BitGo asserts to be commercially reasonable for its custodial services provided under our custody agreement with BitGo, including certain commercial crime insurance of limited aggregate principal amount which covers losses stemming from fraud, security breach, hack and asset theft, such insurance coverage may be insufficient to protect us against all losses of our Bitcoin holdings held in custody with BitGo, whether or not stemming from security breaches, cyberattacks or other types of unlawful activity.

Incorrect or fraudulent cryptocurrency transactions may be irreversible.

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrency may be irretrievable. As a result, any incorrectly executed or fraudulent cryptocurrency transactions could adversely affect our investments and assets. Cryptocurrency transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the cryptocurrency from the transaction. Once a transaction has been verified and recorded in a block that is added to a blockchain, an incorrect transfer of a cryptocurrency or a theft thereof generally will not be reversible and we may not have sufficient recourse to recover our losses from any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, our Bitcoin rewards could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts. Further, at this time, there is no specifically enumerated U.S. or foreign governmental, regulatory, investigative or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen cryptocurrency. In the event of a loss, we would be reliant on existing private investigative entities to investigate any such loss of our Bitcoin. To the extent that we are unable to recover our losses from such action, error or theft, such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects, or operations of and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account.

Our interactions with a blockchain may expose us to specially designated nationals or blocked persons or cause us to violate provisions of law that did not contemplate distributed ledger technology.

The Office of Financial Assets Control of the U.S. Department of Treasury (“OFAC”) requires us to comply with its sanction program and not conduct business with persons named on its specially designated nationals list. However, because of the pseudonymous nature of blockchain transactions, we may inadvertently and without our knowledge engage in transactions with persons named on OFAC's specially designated nationals list. Our policy prohibits any transactions with such specially designated national individuals, but we may not be adequately capable of determining the ultimate identity of the individual with whom we transact with respect to selling cryptocurrency. We do not directly sell Bitcoin to individuals; rather our custodial partners sell Bitcoin on our behalf. We require that our custodial partners who sell our cryptocurrency to have standard industry anti-money laundering (AML), know your customer (KYC) and OFAC policies. To the extent government enforcement authorities literally enforce these and other laws and regulations that are impacted by decentralized distributed ledger technology, we may be subject to investigation, administrative or court proceedings, and monetary fines and penalties, which could harm our reputation.

The price of cryptocurrency may be affected by the sale of cryptocurrency by other vehicles investing in cryptocurrency or tracking cryptocurrency markets.

The mathematical protocols under which cryptocurrency is mined permit the creation of a limited, predetermined amount of currency, while others have no limit established on total supply. To the extent that other vehicles investing in cryptocurrency or tracking cryptocurrency markets form and come to represent a significant proportion of the demand for a cryptocurrency, large redemptions of the securities of those vehicles and the subsequent sale of such cryptocurrency by such vehicles could negatively affect the price and value of the cryptocurrency inventory we hold. Such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects, or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account.

Bitcoin is subject to halving, and our Bitcoin mining operations may generate less revenue as a result.

At mathematically predetermined intervals, the number of new Bitcoin awarded for solving a block is cut in half, which is referred to as “halving.” Bitcoin halving occurred in April 2024, at which time the block rewards for Bitcoin halved from 6.25 to 3.125. While we cannot predict the exact date of the next halving, as it is predicated on factors such as the block height and the network hashrate, halving happens every 210,000 blocks, and the next Bitcoin halving is expected to occur in 2028. While Bitcoin prices have historically increased around these halving events, there is no guarantee that the price change will be favorable or would compensate for the reduction in mining rewards. If a corresponding and proportionate increase in the price of Bitcoin does not follow the upcoming or future halving events, the revenue we earn from our Bitcoin mining operations would see a decrease, which could have a material adverse effect on our results of operations and financial condition.

The maximum number of Bitcoins that may be released into circulation is 21 million, and the number of Bitcoin currently in circulation is approximately 19.9 million. As the number of Bitcoin available to be mined narrows, we expect the fees for Bitcoin transactions to increase. Eventually, once the majority of Bitcoin is mined and in circulation, we expect to see revenue from transaction fees to exceed the revenue from mining Bitcoin. Once this occurs, we may need to find additional ways to increase our revenue, which could include entering into other areas within the cryptocurrency industry.

There are risks related to technological obsolescence, the vulnerability of the global supply chain to cryptocurrency hardware disruption, and difficulty in obtaining new hardware which may have a negative effect on our business.

Our mining operations can only be successful and ultimately profitable if the costs of mining cryptocurrency, including hardware and electricity costs, associated with mining cryptocurrency are lower than the price of cryptocurrency. As our mining facility operates, our miners experience ordinary wear and tear, and may also face more significant malfunctions caused by a number of extraneous factors beyond our control. The physical degradation of our miners will require us to, over time, replace those miners which are no longer functional. Additionally, as the technology evolves, we may be required to acquire newer models of miners to remain competitive in the market.

Also, because we expect to depreciate all new miners, our reported operating results will be negatively affected. Further, the global supply chain for cryptocurrency miners is presently heavily dependent on China. Should disruptions to the China-based global supply chain for cryptocurrency hardware occur, we may not be able to obtain adequate replacement parts for existing miners or to obtain additional miners from the manufacturer on a timely basis. Such events could have a material adverse effect on our ability to pursue our new strategy, which could have a material adverse effect on our business.

We may not adequately respond to price fluctuations and rapidly changing technology, which may negatively affect our business.

Competitive conditions within the cryptocurrency industry require that we use sophisticated technology in the operation of our business. The industry for blockchain technology is characterized by rapid technological changes, new product introductions, enhancements, and evolving industry standards. New technologies, techniques or products could emerge that might offer better performance than the software and other technologies we currently utilize, and we may have to manage transitions to these new technologies to remain competitive. We may not be successful, generally or relative to our competitors in the cryptocurrency industry, in timely implementing new technology into our systems, or doing so in a cost-effective manner. As a result, our business and operations may suffer.

The reward for mining cryptocurrency in the future may decrease, and the value of cryptocurrency may not adjust to compensate us for the reduction in the rewards we receive from our mining efforts.

There is no guarantee that price fluctuations of cryptocurrency will compensate for the reduction in mining rewards. If a corresponding and proportionate increase in the trading price of a cryptocurrency or a proportionate decrease in mining difficulty does not follow the decrease in rewards, the revenue we earn from our Bitcoin mining operations could see a corresponding decrease, which would have a material adverse effect on our business and operations.

The value of Bitcoin may be subject to pricing risk and has historically been subject to wide swings.

Bitcoin market prices, which have historically been volatile and are impacted by a variety of factors (including those discussed below), are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Furthermore, such prices may be subject to factors such as those that impact commodities, more so than business activities, which could be subjected to additional influence from fraudulent or illegitimate actors, real or perceived scarcity, and political, economic, regulatory, or other conditions. Pricing may be the result of, and may continue to result in, speculation regarding future appreciation in the value of cryptocurrency, inflating and making its market prices more volatile or creating “bubble” type risks for cryptocurrency.

We may not be able to realize the benefits of forks. Forks in a cryptocurrency network may occur in the future which may affect the value of cryptocurrency held by us.

To the extent that a significant majority of users and miners on a cryptocurrency network install software that changes the cryptocurrency network or properties of a cryptocurrency, including the irreversibility of transactions and limitations on the mining of new cryptocurrency, the cryptocurrency network would be subject to new protocols and software. However, if less than a significant majority of users and miners on the cryptocurrency network consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a “fork” of the network, with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the cryptocurrency running in parallel, yet lacking interchangeability and necessitating exchange-type transactions to convert currencies between the two forks. A fork in a cryptocurrency could adversely affect our business because we may not be able to realize the economic benefit of a fork, either immediately or ever, which could adversely affect our business. If we hold a cryptocurrency at the time of a hard fork into two cryptocurrencies, industry standards would dictate that we would be expected to hold an equivalent amount of the old and new assets following the fork. However, we have not in the past, and have no plans in the future, to use or participate in forks, and, as a result, we may not realize the economic benefit of a new asset created by a fork. Additionally, laws, regulations or other factors may prevent us from benefiting from the new asset.

If a malicious actor or botnet obtains control in excess of 50% of the processing power active on any cryptocurrency network, it is possible that such actor or botnet could manipulate the blockchain in a manner that adversely affects an investment in us.

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on any cryptocurrency network, it may be able to alter the blockchain by constructing alternate blocks if it is able to solve for such blocks faster than the remainder of the miners on the blockchain can add valid blocks. In such alternate blocks, the malicious actor or botnet could control, exclude, or modify the ordering of transactions, though it could not generate new cryptocurrency or transactions using such control. Using alternate blocks, the malicious actor could “double-spend” its own cryptocurrency (i.e., spend the same cryptocurrency in more than one transaction) and prevent the confirmation of other users’ transactions for so long as it maintains control. To the extent that such malicious actor or botnet does not yield its majority control of the processing power or the cryptocurrency community does not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. Such changes could adversely affect an investment in us.

The approach towards and possible crossing of the 50% threshold indicate a greater risk that a single mining pool could exert authority over the validation of cryptocurrency transactions. To the extent that the cryptocurrency ecosystems do not act to ensure greater decentralization of cryptocurrency mining processing power, the feasibility of a malicious actor obtaining more than 50% of the processing power on any cryptocurrency network (e.g., through control of a large mining pool or through hacking such a mining pool) will increase, which may adversely impact an investment in us.

Cryptocurrency, including those maintained by or for us, may be exposed to cybersecurity threats and hacks.

As with any computer code generally, flaws in cryptocurrency codes may be exposed by malicious actors. Several errors and defects have been found previously, including those that disabled some functionality for users and exposed users' information. Exploitation of flaws in the source code that allow malicious actors to take or create money have previously occurred. Despite our efforts and processes to prevent breaches, our devices, as well as our miners, computer systems and those of third parties that we use in our operations, are vulnerable to cybersecurity risks, including cyberattacks such as viruses and worms, phishing attacks, denial-of-service attacks, physical or electronic break-ins, employee theft or misuse, and similar disruptions from unauthorized tampering with our miners and computer systems or those of third parties that we use in our operations. Such events could have a material adverse effect on our business, prospects, or operations and potentially the value of Bitcoin that we mine or otherwise acquire or hold for our own account.

Malicious cyber-attacks, attempted cybersecurity breaches, and other adverse events affecting our operational systems or infrastructure, or those of third parties, could disrupt our businesses and cause losses.

Despite defensive measures we have taken to protect, detect, respond, and recover from cyber threats, we experience cybersecurity threats and incidents from time to time, and it is possible that such defensive measures will be unsuccessful in mitigating a cybersecurity event. These events may arise from external factors such as governments, organized crime, hackers, and other third parties such as infrastructure-support providers and application developers, or may originate internally from an employee or service provider to whom we have granted access to our computer systems. If our security measures are breached, our business would suffer and we could incur material liability. Because techniques used to obtain unauthorized access or to sabotage computer systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures.

We also face the risk of operational disruption, failure or capacity constraints of any of the third-party service providers that facilitate our business activities. In addition, the increased flexibility for our employees to work remotely post-Pandemic has amplified certain risks related to, among other things, the increased demand on our information technology resources and systems, the increased risk of phishing and other cybersecurity attacks, and the increased number of points of possible attack, such as laptops and mobile devices (both of which are now being used in increased numbers), to be secured.

Our remediation costs and lost revenues could be significant if we fall victim to a cyber-attack. If an actual, threatened or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed. We may be required to expend significant resources to repair system damage, pay a ransom, protect against the threat of future security breaches or to alleviate problems caused by any breaches.

Our cash and other sources of liquidity may not be sufficient to fund our operations and there is substantial doubt about our ability to continue as a going concern within 12 months from the date of issuance of our financial statements and we may not be successful in raising additional capital necessary to meet expected increases in working capital needs, and if we raise additional funding through sales of equity or equity-based securities your shares will be diluted.

Management has projected that based on our recurring losses, negative cash flows from operating activities, and our hashing rate at December 31, 2025, cash on hand may not be sufficient to allow us to continue operations and there is substantial doubt about our ability to continue as a going concern within 12 months from the date of issuance of our financial statements if we are unable to raise additional funding for operations. We expect our working capital needs to increase in the future as we continue to expand and enhance our operations. Our ability to raise additional funds for working capital through equity or debt financings or other sources may depend on the financial success of our business and successful implementation of our key strategic initiatives, financial, economic and market conditions and other factors, some of which are beyond our control. We require additional capital and if we are unsuccessful in raising that capital at a reasonable cost and at the required times, or at all, we may not be able to continue our business operations in the cryptocurrency mining industry or we may be unable to advance our growth initiatives, either of which could adversely impact our business, financial condition and results of operations. In an effort to mitigate these risks we are taking steps to lower our cost of mining and also refresh our mining fleet to increase our mining efficiency.

Significant changes from our current forecasts, including but not limited to: (i) shortfalls from projected mining earning levels; (ii) increases in operating costs; (iii) decreases in the value of cryptocurrency; and (iv) if we do not maintain compliance with the requirements of The Nasdaq Capital Market (“Nasdaq”) and/or we do not maintain our listing with Nasdaq it could have a material adverse impact on our ability to access the level of funding necessary to continue our operations at current levels. These factors, among others, should they occur may result in our inability to continue as a going concern within 12 months from the date of issuance of our financial statements. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and do not include any adjustments that might result from the outcome of this uncertainty.

We have a history of net losses. We may not achieve or maintain profitability.

We have limited non-recurring revenues derived from operations. We have a history of net losses, and we expect to continue to incur net losses and we may not achieve or maintain profitability. We may see continued losses during 2026 and as a result of these and other factors, we may not be able to achieve, sustain or increase profitability in the near future.

We are subject to many risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources. There is no assurance that we will be successful in achieving a return on shareholders’ investment and the likelihood of success must be considered considering our stage of operations.

The failure to attract, hire, retain and motivate key personnel could have a significant adverse impact on our operations.

Our success depends on the retention and maintenance of key personnel, including members of senior management. Achieving this objective may be difficult due to many factors, including competition for such highly skilled personnel; fluctuations in global economic and industry conditions; changes in our management or leadership; competitors’ hiring practices; and the effectiveness of our compensation programs. The loss of any of these key persons could have a material adverse effect on our business, financial condition or results of operations.

Our success is also dependent on our continuing ability to identify, hire, train, motivate and retain highly qualified management and finance personnel. Any such new hires may require a significant transition period prior to making a meaningful contribution. Competition for qualified employees is particularly intense in the technology industry, and we have in the past experienced difficulty recruiting qualified employees. Our failure to attract and to retain the necessary qualified personnel could seriously harm our operating results and financial condition. Competition for such personnel can be intense, and no assurance can be provided that we will be able to attract or retain highly qualified technical and managerial personnel in the future, which may have a material adverse effect on our future growth and profitability. We do not have key person insurance.

Our financial results may fluctuate substantially for many reasons, and past results should not be relied on as indications of future performance.

Our revenues and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors. Thus, there can be no assurance that we will be able to reach profitability on a quarterly or annual basis. We believe that our revenue and operating results will continue to fluctuate, and that period-to-period comparisons are not necessarily indications of future performance. Our revenue and operating results may fail to meet the expectations of public market analysts or investors, which could have a material adverse effect on the price of our common shares. In addition, portions of our expenses are fixed and difficult to reduce if our revenues do not meet our expectations. These fixed expenses magnify the adverse effect of any revenue shortfall.

Our plans for implementing our business strategy and achieving profitability are based upon the experience, judgment and assumptions of our key management personnel, and available information concerning the communications and technology industries. If management’s assumptions prove to be incorrect, it could have a material adverse effect on our business, financial condition, or results of operations.

We may engage in strategic acquisitions and other arrangements that could disrupt our business, cause dilution to our shareholders, reduce our financial resources and harm our operating results.

We may engage in strategic transactions as part of our growth strategy, in the future, we expect to seek additional opportunities to grow our mining operations, including through purchases of miners and facilities from other operating companies, including companies in financial distress. Our ability to grow through future acquisitions will depend on the availability of, and our ability to identify, suitable acquisition and investment opportunities at an acceptable cost, our ability to compete effectively to attract those opportunities and the availability of financing to complete acquisitions. Future acquisitions will likely require us to issue common shares that would dilute our current shareholders' percentage ownership, assume or otherwise be subject to liabilities of an acquired company, record goodwill and non-amortizable intangible assets that will be subject to impairment testing on a regular basis and potential periodic impairment charges, incur amortization expenses related to certain intangible assets, incur large acquisition and integration costs, immediate write-offs, and restructuring and other related expenses and/or become subject to litigation.

The benefits of an acquisition may also take considerable time to develop, and we cannot be certain that any particular acquisition will produce the intended benefits in a timely manner or to the extent anticipated or at all. We may experience difficulties integrating the operations, technologies and personnel of an acquired company or be subjected to liability for the target's pre-acquisition activities or operations as a successor in interest. Such integration may divert management's attention from normal daily operations of our business. Future acquisitions may also expose us to potential risks, including risks associated with entering markets in which we have no or limited prior experience, especially when competitors in such markets have stronger market positions, the possibility of insufficient revenues to offset the expenses we incur in connection with an acquisition and the potential loss of, or harm to, our relationships with employees and suppliers as a result of integration of new businesses.

We may not be able to timely complete our future strategic growth initiatives or within our anticipated cost estimates, if at all.

As part of our efforts to grow our hashrate and remain competitive in the market, we have completed a self-owned infrastructure for our 8 MW site in Iowa and invested in additional new mining equipment. We are also reliant on third parties for our expansion efforts, including providers of infrastructure equipment, who may be burdened by delays in manufacturing, supply chain problems, less access to capital due to macro-economic conditions, or inflation. This could increase our costs and/or delay our expansion and acquisition efforts. If we are unable to complete our planned expansions or acquisitions on schedule and within our anticipated cost estimates, our deployment of newly purchased mining equipment may be delayed, which could affect our competitiveness and our results of operation, which could have a material adverse effect on our financial condition and the market price for our securities.

We may experience increased compliance costs as a result of future strategic acquisitions.

Future strategic acquisitions could carry substantial compliance burdens, which may limit our ability to realize the anticipated benefits of such acquisitions, and may require our management and personnel to shift their focus to such compliance burdens and away from their other functions. Such increased costs and compliance burdens could affect our ability to realize the anticipated benefits of such strategic acquisitions, and our business, results of operations and financial condition may suffer as a result.

Risks Related to Our Public Company Status and Our Common Shares

Sales of common shares issuable upon exercise of outstanding warrants, the conversion of outstanding preferred shares, or the effectiveness of our registration statement may cause the market price of our common shares to decline.

As of December 31, 2025 we had warrants outstanding for the purchase of up to 1,324,534 common shares having a weighted-average exercise price of \$85.32 per share. The sale of our common shares upon exercise of our outstanding warrants, or the sale of a significant amount of the common shares issued or issuable upon exercise of the warrants in the open market, or the perception that these sales may occur, could cause the market price of our common shares to decline or become highly volatile.

We may issue additional shares or other equity securities without your approval, which would dilute your ownership interest in us and may depress the market price of our common shares.

We may issue additional shares or other equity securities in the future in connection with, among other things, future acquisitions, repayment of outstanding indebtedness or grants without shareholder approval in a number of circumstances. The issuance of additional shares or other equity securities could have one or more of the following effects:

- our existing shareholders' proportionate ownership interest will decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding share may be diminished; and
- the market price of our common shares may decline.

The market price of our common shares is volatile and it may decline significantly.

The market price for our common shares is volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including the following:

- price and volume fluctuations in the overall stock market, the cryptocurrency market, and of Bitcoin mining stocks from time to time;
- future capital raising activities;
- sales of common shares by holders thereof or by us;
- changes in financial estimates by securities analysts who follow us, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to us and our business;
- any significant change in our executive officers and other key personnel or Board of Directors;
- release of transfer restrictions on certain outstanding common shares; and
- fluctuating or anticipated changes in power markets.

Financial markets may experience price and volume fluctuations that affect the market prices of equity securities of companies and that are unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if our operating results, underlying asset values or prospects have not changed. As well, certain institutional investors may base their investment decisions on consideration of our governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in our common shares by those institutions, which could adversely affect the trading price of our common shares. There can be no assurance that fluctuations in price and volume will not occur due to these and other factors.

In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be a target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management's attention from day-to-day operations and consume resources, such as cash. In addition, the resolution of those matters may require us to issue additional common shares, which could potentially result in dilution to our existing shareholders. Expenses incurred in connection with these matters (which include fees of lawyers and other professional advisors and potential obligations to indemnify officers and directors who may be parties to such actions) could adversely affect our cash position.

If our performance does not meet market expectations, the price of our common shares may decline.

If our performance does not meet market expectations, the price of our common shares may decline. The market value of our common shares may vary significantly from the price of our common shares on the date of this Annual Report.

In addition, fluctuations in the price of our common shares could contribute to the loss of all or part of your investment. Any of the factors listed below could have a material adverse effect on your investment in our common shares and our common shares may trade at prices significantly below the price you paid for them. Factors affecting the trading price of our common shares may include:

- actual or anticipated fluctuations in our financial results or the financial results of companies perceived to be similar to it;
- changes in the market's expectations about our operating results;
- success of competitors;
- our operating results failing to meet market expectations in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us;
- operating and share price performance of other companies that investors deem comparable to us;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- the volume of our shares available for public sale;
- any significant change in our board or management;
- sales of substantial amounts of shares by our directors, executive officers or significant shareholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may depress the market price of our common shares irrespective of our operating performance. The stock market in general and Nasdaq have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for technology, Bitcoin mining or sustainability-related stocks or the stocks of other companies that investors perceive to be similar to us could depress our share price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our common shares also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

If the trading price of our common shares fails to comply with the continued listing requirements of Nasdaq, we would face possible delisting, which would result in a limited public market for our common shares and make obtaining future debt or equity financing more difficult for us.

Companies listed on Nasdaq are subject to delisting for, among other things, failure to maintain a minimum closing bid price of \$1.00 per share for 30 consecutive business days pursuant to Nasdaq Listing Rule 5550(a)(2) and 5810(c)(3)(A) (the “Nasdaq Listing Rules”).

On March 6, 2025, we received a notice from the Nasdaq Listing Qualifications Department of the Nasdaq Stock Market LLC stating that the bid price of our common shares for the last 30 consecutive trading days had closed below the minimum \$1.00 per share required for continued listing under Listing Rule 5550(a)(2) (the “Listing Rule”). We had a period of 180 calendar days to regain compliance with the Listing Rule. In September 2025, we received an extension for a period of 180 calendar days, or until March 2, 2026, to regain compliance with the Listing Rule.

On February 9, 2026, we filed an Articles of Amendment to effect a share consolidation (also known as a reverse stock split) of our issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. Our common shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026. On February 26, 2026, we received notification from the Nasdaq Listing Qualifications Department that we are in compliance with the Listing Rule.

We may be subject to securities litigation, which is expensive and could divert management attention.

Our share price may be volatile and, in the past, companies that have experienced volatility in the market price of their shares have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management’s attention and resources, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Any adverse determination in litigation could also subject us to significant liabilities.

We will continue to incur substantial costs and obligations as a result of being a public company.

As a publicly traded company, we will continue to incur significant legal, accounting, and other expenses. In addition, new and changing laws, regulations and standards relating to corporate governance and public disclosure for public companies, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), regulations related thereto and the rules and regulations of the United States SEC and Nasdaq, have increased the costs and the time that must be devoted to compliance matters. We expect these rules and regulations will increase our legal and financial costs and lead to a diversion of management time and attention from revenue-generating activities.

We must comply with the financial reporting requirements of a public company, as well as other requirements associated with being listed on Nasdaq.

We are subject to reporting and other obligations under applicable Canadian securities laws, SEC rules and the rules of Nasdaq. These reporting and other obligations, including National Instrument 52-102 - Continuous Disclosure Obligations and National Instrument 52-109 - Certification of Disclosure in Issuers’ Annual and Interim Filings, place significant demands on our management, administrative, operational, and accounting resources. Moreover, any failure to maintain effective internal controls could cause us to fail to meet our reporting obligations or result in material misstatements in our consolidated financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially harmed, which could also cause investors to lose confidence in our reported financial information, which could result in a lower trading price of our common shares.

Management does not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error, or fraud may occur and not be detected.

We may be treated as a Passive Foreign Investment Company.

There is also an ongoing risk that we may be treated as a Passive Foreign Investment Company (“PFIC”), for U.S. federal income tax purposes. A non-U.S. corporation generally will be considered to be a PFIC for any taxable year in which 75% or more of its gross income is passive income, or 50% or more of the average value of its assets are considered “passive assets” (generally, assets that generate passive income). This determination is highly factual, and will depend upon, among other things, our market valuation and future financial performance. Based on current business plans and financial expectations, we do not believe we were a PFIC for our tax year ended December 31, 2025, and based on current business plans and financial expectations, we expect that we will not be a PFIC for our current tax year ending December 31, 2026 or for the foreseeable future. If we were to be classified as a PFIC for any future taxable year, holders of our common shares who are U.S. taxpayers would be subject to adverse U.S. federal income tax consequences.

Certain of our directors, officers and management could be in a position of conflict of interest.

Certain of our directors, officers and members of management may also serve as directors and/or officers of other companies. We may contract with such directors, officers, members of management and such other companies or with affiliated parties or other companies in which such directors, officers, or members of management own or control. These persons may obtain compensation and other benefits in transactions relating to us. Consequently, there exists the possibility for such directors, officers, and members of management to be in a position of conflict.

We may issue an unlimited number of common shares. Future sales of common shares will dilute your shares.

Our articles permit the issuance of an unlimited number of common shares, and shareholders will have no preemptive rights in connection with such further issuances. With limited exceptions, we are generally not restricted from issuing additional common shares, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common shares. The market price of our common shares could decline as a result of sales of common shares or securities that are convertible into or exchangeable for, or that represent the right to receive, common shares after this offering or the perception that such sales could occur.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

We understand the importance of preventing, assessing, identifying, and managing material risks associated with cybersecurity threats. Cybersecurity processes to assess, identify and manage risks from cybersecurity threats have been incorporated as a part of our overall risk assessment process and have been embedded in our operating procedures, internal controls and information systems. We have engaged a third-party vendor to provide a variety of cybersecurity services ranging from ongoing security advisory services to cybersecurity monitoring and response management.

We use a risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of our systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems. For third parties that we rely upon for certain IT systems, we seek to use only reputable providers, to use the most recently reliable versions of such systems, and monitor and address alerts for potential vulnerabilities to any such systems. We do not believe that risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected us, including our business strategy, results of operations or financial condition.

Our Board of Directors oversees management's processes for identifying and mitigating risks, including cybersecurity risks, to help align our risk exposure with our strategic objectives. Our Chief Executive Officer is responsible for assessing and managing cybersecurity risks, responding to any cybersecurity incidents and reporting any such incidents to our Board of Directors, and periodically briefs our Board of Directors on our cybersecurity and information security posture and on any cybersecurity incidents deemed to have a moderate or higher business impact. In the event of a material cybersecurity incident, our cybersecurity consultant has extensive information technology and program management experience. We believe that we have implemented a governance structure and processes that are equipped to assess, identify, manage and report cybersecurity risks. Refer to "Item 1A. Risk Factors" for a discussion of certain of the cybersecurity risks that our business is subject to.

Item 2. Properties

We are a remote-first company, meaning our employees have the option to work remotely. As a result of this strategy, we do not maintain a corporate headquarters. We believe that our remote working strategy is adequate to meet our needs for the immediate future, and that, should we need physical office space, suitable space will be available in the future.

Item 3. Legal Proceedings

For a discussion of our legal proceedings, see Note 16. *Commitments and Contingencies* to our Consolidated Financial Statements.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common shares are listed on The Nasdaq Capital Market under the symbol "ANY". As of March 23, 2026, we had approximately 35 shareholders of record and beneficial owners of our common shares.

Dividends

We have not declared or paid any dividends on our common shares to date. Our current intention is to retain any future earnings to support the development of the business of Sphere 3D and we do not anticipate paying cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board of Directors of Sphere 3D after taking into account various factors, including but not limited to the financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that Sphere 3D may be a party to at the time. Accordingly, investors must rely on sales of their Sphere 3D common shares after price appreciation, which may never occur, as the only way to realize a return on their investment.

Recent Sales of Unregistered Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our consolidated financial statements and notes included in the Annual Report on Form 10-K. In addition to historical information, the following discussion contains forward-looking statements that are subject to risks and uncertainties. Actual results may differ substantially from those referred to herein due to a number of factors, including but not limited to risks described in *Part I, Item 1A. Risks Factors*, and elsewhere in this Annual Report. References to “Notes” are Notes included in our Notes to Consolidated Financial Statements.

Overview

In January 2022, we commenced operations of our Bitcoin mining business and are dedicated to becoming a leader in the blockchain and cryptocurrency industry. We have established and continue to grow an enterprise-scale mining operation through the procurement of mining equipment and partnering with experienced service providers.

We obtain Bitcoin as a result of our mining operations, and when necessary, we sell Bitcoin to support our operations and strategic growth. We mine Bitcoin in states that do not have any material state-specific regulatory restrictions on the mining of Bitcoin. However, it is possible that these states or other states in which we may seek to operate may create laws that would impede Bitcoin mining. We do not currently plan to engage in regular trading of Bitcoin other than sales to convert our Bitcoin into U.S. dollars. Decisions to hold or sell our Bitcoin is currently determined by management by analyzing forecasts and monitoring the market in real time. We have a hybrid treasury strategy to hold Bitcoin when possible and sell to fund working capital requirements.

As of December 31, 2025, we owned approximately 12,600 miners, of which approximately 4,200 were in service and have a total hashrate capacity of 0.73 exahash per second (“EH/s”). We are strategizing for our future growth by refreshing a significant portion of our fleet with newer-generation machines to bolster efficiency, and starting from March 2025, we have a self-owned 8 megawatt (“MW”) facility in Iowa (“Iowa Site”). As of February 2026, with the sale of approximately 7,700 older generation miners not in service for 437 newer generation miners, we have approximately 5,300 miners and our refresh of our miner fleet is substantially complete. Vertically integrating with self-owned facilities, such as our Iowa Site, allows us to reduce our reliance on third-parties and decrease our overall cost to mine a Bitcoin. As a result of our strategic changes, during the latter part of 2024 and ongoing, mining production has decreased as we focused on our long-term strategic goals of transitioning to lower-cost hosting sites, vertically integrating to own our own site, and refreshing our fleet with newer-generation machines.

In 2025, we mined 111.6 Bitcoin, which represented a decrease of 61.0% over the 286.3 Bitcoin we mined in 2024. The decrease was primarily due to the April 2024 halving event, our transition to lower-cost hosting sites, and refreshing our fleet with newer-generation machines. Based on our existing operations and expected deployment of miners we have purchased, we anticipate continuing to increase exahash throughout 2026. We do not have scheduled downtime for our miners. We periodically perform both scheduled and unscheduled maintenance on our miners. Depending on the type of repair, the miner may run at a reduced speed or be taken offline. We use software programs to monitor the performance of our machines. The miners owned as of December 31, 2025 have an average efficiency (joules per terahash – “J/th”) of 22.0 J/th compared to an average efficiency of 27.1 J/th in 2024. We expect efficiency to improve in 2026 to approximately 19.0 J/th. The miner efficiency is an indication of how efficiently we can earn Bitcoin and minimize cost to run the miner. Currently, we intend only to mine Bitcoin and we hold no other cryptocurrency other than Bitcoin. We do not have any power purchase agreements for the supply of power.

As of December 31, 2025, we held approximately 37.3 Bitcoin. The fair value of our Bitcoin as of December 31, 2025 was approximately \$3.3 million on our consolidated balance sheet.

Recent Key Events

- On March 5, 2026, we and Cathedra Bitcoin Inc. (“Cathedra”), entered into a definitive agreement to combine the two companies, in an all-stock transaction, to create a high density computing power infrastructure company focused on high-performance compute, digital assets, energy optimization, and development of power and infrastructure. The strategic combination is anticipated to enable near-term vertical integration, positioning the new entity to accelerate scalable, high-efficiency deployment across North America by leveraging a focus on low-cost power, and operational efficiency. Under the terms of the definitive arrangement agreement, entered into on March 5, 2026 (the “Arrangement Agreement”), we have agreed to acquire all of the issued and outstanding shares of Cathedra (the “Transaction”), subject to customary closing conditions, including regulatory, court, and shareholder approvals, such that upon consummation of the Transaction, Cathedra will be a wholly-owned subsidiary of the Company. If the Arrangement Agreement is terminated in certain specified circumstances, we or Cathedra would be required to pay the other party a termination fee of \$0.5 million.
- On March 4, 2026, we granted 472,222 RSUs and 45,532 RSAs with an aggregate fair value of \$0.7 million.
- During March 2026, under the AGP Agreement we issued 256,142 common shares for \$0.4 million of net proceeds.
- On February 9, 2026, we filed an Articles of Amendment to effect a share consolidation (also known as a reverse stock split) of our issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. Our common shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026. All share and per share amounts have been restated for all periods presented to reflect the share consolidation.
- On February 9, 2026, we sold approximately 7,700 older generation miners included in property and equipment for 437 newer generation miners with a value of \$1.1 million.

Results of Operations - Comparison of Years Ended December 31, 2025 and 2024

Revenue

We had revenue of \$11.2 million during 2025 compared to \$16.6 million during 2024. The \$5.4 million decrease in revenue is primarily due to the April 2024 halving event, and the process of removing our older mining equipment and replacing it with newer generation machines, offset by an increase in the fair value of Bitcoin. The refreshing of our mining equipment is expected to be an ongoing process through the beginning of 2026 which may result in further fluctuations in exahash. During the years ended December 31, 2025 and 2024, all of our revenue was derived from Bitcoin mining.

Operating Expenses

Cost of Revenue (exclusive of depreciation and amortization expense)

For the years ended December 31, 2025 and 2024, direct cost of revenues were \$8.6 million and \$13.4 million, respectively. The \$4.8 million decrease in cost of revenue was primarily due to lower hosting fees related to machines taken offline to be relocated and the transition of removing older mining machines and replacing them with newer generation machines and lower cost of revenue at our Iowa Site.

General and Administrative Expense

General and administrative expenses were \$8.3 million and \$12.4 million for the years ended December 31, 2025 and 2024, respectively. The \$4.1 million decrease was primarily due to a decrease of \$2.0 million in share-based compensation primarily related to forfeited awards, a decrease in legal fees of \$1.4 million related to the resolution of the Gryphon Digital Mining, Inc. litigation, a decrease of \$0.7 million in employee and related expenses primarily related to a decrease in headcount, a \$0.5 million decrease in insurance expense, and a \$0.2 million decrease in directors' fees. These decreases were offset by an increase of \$0.8 million in costs related to strategic business growth efforts.

Depreciation and Amortization Expense

Depreciation and amortization expense was \$6.9 million and \$7.1 million for the years ended December 31, 2025 and 2024, respectively. The decrease of \$0.2 million was primarily due to less depreciation related to our Bitcoin mining machines due to the disposal of machines.

Impairment of Property and Equipment

Impairment of property and equipment was \$7.2 million and \$1.1 million for the years ended December 31, 2025 and 2024, respectively. For the year ended December 31, 2025, an impairment of \$7.2 million was recorded for the expected sales value of mining equipment primarily due to the decline in Bitcoin price. For the year ended December 31, 2024, an impairment of \$1.1 million was recorded related to idle mining equipment not expected to return to use.

Loss on Disposal of Property and Equipment

Loss on disposal of property and equipment was \$1.7 million and \$3.5 million for the years ended December 31, 2025 and 2024, respectively, and primarily related to the sale of mining equipment.

Change in Fair Value of Bitcoin

Change in fair value of Bitcoin was a loss of \$0.3 million and a gain of \$0.7 million for the years ended December 31, 2025 and 2024, respectively. The aggregate gain or loss was the change in fair value of Bitcoin held, as well as the gains and losses from when Bitcoin was sold.

Impairment of Other Assets

Impairment of other assets was \$0.3 million and \$1.1 million for the years ended December 31, 2025 and 2024, respectively. For the year ended December 31, 2025, an impairment of \$0.3 million was recorded for the remaining portion of the Rebel Mining Company settlement that is in default. For the year ended December 31, 2024, an impairment of \$0.9 million was recorded related to prepaid service fees held by Rebel Mining Company, and a \$0.2 million impairment for an uncollectible other receivable.

Non-Operating Income and Expenses

Investment Income

Investment income was \$0.4 million and \$9.0 million for the years ended December 31, 2025 and 2024, respectively, and related to realized and unrealized gains on our equity investment in Core Scientific Inc.

Other Income, Net

Other income, net, was \$0.1 million and \$3.1 million for the years ended December 31, 2025 and 2024, respectively. The change of \$3.0 million was primarily related to prior year income of \$3.0 million for the early termination of a hosting agreement and not recurring in the current year.

Liquidity and Capital Resources

Our principal sources of liquidity are our existing cash, cash equivalents, and our At-the-Market (“ATM”) facility. We expect to fund our operations going forward with existing cash resources, anticipated revenue from our Bitcoin mining operation, and cash that we may raise through future financing transactions. At December 31, 2025, we had cash and cash equivalents of \$3.7 million compared to \$5.4 million at December 31, 2024. As of December 31, 2025, we had working capital of \$6.9 million, reflecting a decrease in current assets of \$9.1 million primarily related to the sale of our investment in equity securities, and a decrease in current liabilities of \$2.1 million primarily related to a decrease in accounts payable, accrued liabilities and employee compensation.

Warrant Inducement. On October 16, 2025, we entered into a warrant inducement agreement with an existing institutional investor to us for the immediate exercise of the November 19, 2024 warrants to purchase 436,823 common shares (the “Existing Warrants”) of the Company. The Existing Warrants had an exercise price of \$15.00 and were exercised at a reduced exercise price of \$9.40 for total gross cash proceeds of \$4.1 million, before deducting financial advisor fees and other transaction expenses of \$0.4 million. We used the net proceeds from the offering for the purchase or upgrade of our Bitcoin mining fleet, and other general corporate purposes.

At-the-Market Offering Program. On January 3, 2025, we entered into a sales agreement (the “AGP Agreement”) with A.G.P./Alliance Global Partners (the “Sales Agent”). In accordance with the terms of the AGP Agreement, we may offer and sell from time to time through or to the Sales Agent, as agent or principal, our common shares having an aggregate offering price of up to \$8.0 million (the “Placement Shares”). The AGP Agreement can be terminated by either party by giving two days written notice. We expect that any proceeds received from the facility will be used primarily for working capital and general corporate purposes and in furtherance of our corporate strategy which may include to accelerate efficiency, for the purchase/upgrade of our mining fleet, and vertical integration of infrastructure.

Neither us nor the Sales Agent are obligated to sell any Placement Shares pursuant to the AGP Agreement. Subject to the terms and conditions of the AGP Agreement, the Sales Agent will use commercially reasonable efforts, consistent with its normal trading and sales practices and applicable state and federal law, rules and regulations and the rules of The Nasdaq Capital Market (“Nasdaq”), to sell the Placement Shares from time to time based upon our instructions, including any price, time or size limits or other customary parameters or conditions we may impose. Sales of the Placement Shares, if any, will be made on Nasdaq at market prices by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended. For the year ended December 31, 2025, through the At-the-Market Offering program 112,791 common shares were issued for net proceeds of \$0.7 million.

Management has projected that based on our recurring losses, negative cash flows from operating activities, and our hashing rate at December 31, 2025, cash on hand may not be sufficient to allow us to continue operations and there is substantial doubt about our ability to continue as a going concern within 12 months from the date of issuance of our financial statements if we are unable to raise additional funding for operations. We expect our working capital needs to increase in the future as we continue to expand and enhance our operations. Our ability to raise additional funds for working capital through equity or debt financings or other sources may depend on the financial success of our business and successful implementation of our key strategic initiatives, financial, economic and market conditions and other factors, some of which are beyond our control. We require additional capital and if we are unsuccessful in raising that capital at a reasonable cost and at the required times, or at all, we may not be able to continue our business operations in the cryptocurrency mining industry or we may be unable to advance our growth initiatives, either of which could adversely impact our business, financial condition and results of operations. In an effort to mitigate these risks we are taking steps to lower our cost of mining and also refresh our mining fleet to increase our mining efficiency.

Significant changes from our current forecasts, including but not limited to: (i) shortfalls from projected mining earning levels; (ii) increases in operating costs; (iii) decreases in the value of cryptocurrency; and (iv) if we do not maintain compliance with the requirements of Nasdaq and/or we do not maintain our listing with Nasdaq it could have a material adverse impact on our ability to access the level of funding necessary to continue our operations at current levels. These factors, among others, should they occur may result in our inability to continue as a going concern within 12 months from the date of issuance of our financial statements. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and do not include any adjustments that might result from the outcome of this uncertainty.

The following table shows a summary of our cash flows (used in) provided by operating activities, investing activities and financing activities (in thousands):

	Year Ended December 31,	
	2025	2024
Net cash used in operating activities	\$ (16,118)	\$ (4,576)
Net cash provided by investing activities	\$ 9,992	\$ 4,028
Net cash provided by financing activities	\$ 4,408	\$ 5,387

Net cash used in operating activities. The use of cash during 2025 was primarily a result of our net loss of \$21.5 million, offset by \$17.0 million in noncash items, which primarily included an impairment of property and equipment, a realized gain on sale of investment in equity securities, depreciation and amortization, share-based compensation expense, loss on disposal of property and equipment, provision for loss on other assets, change in fair value of Bitcoin, and nonemployee share-based compensation performance award expense.

Net cash provided by investing activities. During 2025, we received \$9.0 million from proceeds from the sale of Bitcoin, \$8.0 million from proceeds from the sale of investment in equity securities, and \$0.6 million for the sale of miners originally included in mining equipment, offset by \$7.5 million of payments for the purchase of property and equipment consisting of newer generation mining machines and infrastructure for our Iowa Site completed in 2025. During 2024, we received \$11.4 million from proceeds from the sale of investment in equity securities and \$1.5 million from proceeds from the sale of Bitcoin, offset by \$7.1 million of payments for the purchase of property and equipment consisting of newer generation mining machines and \$1.8 million in payments for construction in progress primarily for our Iowa Site completed in 2025.

Net cash provided by financing activities. During 2025, we received \$3.7 million of net proceeds from a warrant inducement transaction, and we received \$0.7 million of net proceeds from the issuance of common shares through our At-the-Market Offering program. During 2024, we received \$5.4 million, net, from the issuance of common shares and warrants.

Off-Balance Sheet Information

During the ordinary course of business, we may provide standby letters of credit to third parties as required for certain transactions initiated by us. As of December 31, 2025, we have no standby letters of credit outstanding.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The preparation of our consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. We review our estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management has determined that there are no critical accounting estimates that require disclosure. Our significant accounting policies are outlined in *Note 2 to the Consolidated Financial Statements* included in this Annual Report on Form 10-K.

Recent Accounting Pronouncements

Refer to *Note 2, Summary of Significant Accounting Policies*, to our consolidated financial statements for a discussion of recent accounting pronouncements and their effect, if any, on us.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide the information required by this Item.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements and supplementary data required by this item are set forth at the pages indicated in Item 15(a)(1) and 15(a)(2), respectively.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures**Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) or 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective to give reasonable assurance that information required to be publicly disclosed is recorded, processed, summarized and reported on a timely basis as of the end of the period covered by this annual report.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over our financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, management has conducted an assessment, including testing, using the criteria in the updated Internal Control-Integrated Framework, issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Our system of internal control over financial reporting is designed 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.

Based on our evaluation under the framework in Internal Control-Integrated Framework, our Chief Executive Officer and Chief Accounting Officer concluded that our internal control over financial reporting was effective as of December 31, 2025. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and that the degree of compliance with the policies or procedures may deteriorate.

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report on internal control over financial reporting was not subject to attestation by our independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report.

This report on internal control over financial reporting shall not be deemed to be filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, and is not incorporated by reference into any of our filings, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the last fiscal quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2025, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-rule 10b5-1 trading arrangement (as such terms are defined pursuant to Item 408 of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission (“SEC”) no later than 120 days after December 31, 2025.

Insider Trading Policy: We have adopted an Insider Trading Policy which governs the purchase, sale, and/or other dispositions of our securities by directors, officers, employees, and other covered persons and is designed to promote compliance with insider trading laws, rules, and regulations, and listing standards applicable to us. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2025.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2025.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2025.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2026 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2025.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) Documents filed as part of this report.

(1) Financial Statements.

Report of Independent Registered Public Accounting Firm (PCAOB ID 206)	F-1
Consolidated Balance Sheets as of December 31, 2025 and 2024	F-3
Consolidated Statements of Operations for the Years Ended December 31, 2025 and 2024	F-4
Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2025 and 2024	F-5
Consolidated Statements of Shareholders' Equity for the Years Ended December 31, 2025 and 2024	F-6
Consolidated Statements of Cash Flows for the Years Ended December 31, 2025 and 2024	F-7
Notes to Consolidated Financial Statements	F-9

(2) Financial Statement Schedules.

Schedules not listed above have been omitted because they are not applicable or are not required or the information required to be set forth therein is included in the consolidated financial statements or notes thereto.

(3) Exhibits.

List of Exhibits required by Item 601 of Regulation S-K. See part (b) below.

(b) Exhibits

Exhibit Number	Description	Filed	Incorporated by Reference		
		Herewith	Form	File No.	Date Filed
3.1	Certificate and Articles of Amalgamation		6-K	001-36532	3/25/2015
3.2	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		6-K	001-36532	7/17/2017
3.3	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	10/2/2018
3.4	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	11/5/2018
3.5	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	11/14/2018
3.6	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	7/12/2019
3.7	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	11/8/2019
3.8	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	5/8/2020
3.9	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	9/29/2020
3.10	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		6-K	001-36532	1/7/2021
3.11	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		6-K	001-36532	7/15/2021
3.12	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		6-K	001-36532	10/4/2021
3.13	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	6/28/2023
3.14	Certificate of Amendment to the Articles of Amalgamation of Sphere 3D Corp.		8-K	001-36532	2/12/2026
3.15	By-Law No. 1, as Amended		6-K	001-36532	7/17/2017
3.16	By-Law No. 1 Amending Agreement		6-K	001-36532	2/1/2022
3.17	By-Law No. 1 Amending Agreement		8-K	001-36532	1/13/2023
3.18	By-Law No. 2		6-K	001-36532	5/12/2017
4.1	Specimen Certificate evidencing Common Shares	X			
4.2	Description of Securities	X			
4.6	Form of Warrant		6-K	001-36532	9/9/2021
4.8	Common Share Purchase Warrant issued by Sphere 3D Corp. to LDA Capital Limited on April 17, 2023		8-K	001-36532	4/21/2023
4.9	Form of Warrant		8-K	001-36532	8/14/2023
4.10	Form of Warrant		8-K/A	001-36532	8/23/2023
4.11	Form of Warrant		8-K	001-36532	10/17/2025
10.1+	Sphere 3D Corp. 2015 Performance Incentive Plan, as amended		S-8	333-279866	5/31/2024
10.2+	Form of Executive Stock Option Agreement		10-K	001-36532	3/21/2018
10.3+	Sphere 3D Corp. 2025 Performance Incentive Plan		S-8	333-288321	6/25/2025

Exhibit Number	Description	Filed Herewith	Incorporated by Reference		
			Form	File No.	Date Filed
10.4+	Form of Nonqualified Stock Option Agreement		10-Q	333-288321	8/5/2025
10.5+	Form of Restricted Stock Unit Agreement		10-Q	333-288321	8/5/2025
10.6+	Form of Officer and Director Indemnity Agreement		10-K	001-36532	4/1/2019
10.7+	Third Amended and Restated Employment Agreement between Sphere 3D Corp. and Kurt Kalbfleisch dated November 11, 2025		8-K	001-36532	11/13/2025
10.8+	Employment Agreement between Sphere 3D Corp. and Tiah Reppas dated December 17, 2025		8-K	001-36532	12/22/2025
10.9	Securities Purchase Agreement, by and among Sphere 3D Corp. and the investors identified on the signature pages thereto, dated September 2, 2021		6-K	001-36532	9/9/2021
10.10	Securities Purchase Agreement between Sphere 3D Corp. and LDA Capital Limited, dated April 17, 2023		8-K	001-36532	4/21/2023
10.11	Form of Purchase Agreement dated August 23, 2023		8-K/A	001-36532	8/23/2023
10.12	Form of Securities Purchase Agreement dated November 19, 2024		8-K	001-36532	11/21/2024
10.13	Placement Agent Agreement entered into by and between Sphere 3D Corp. and the Placement Agent, dated November 19, 2024		8-K	001-36532	11/21/2024
10.14	Sales Agreement, dated as of January 3, 2025, by and between Sphere 3D Corp. and A.G.P./Alliance Global Partners		8-K	001-36532	1/3/2025
10.15	Form of Inducement Agreement		8-K	001-36532	10/17/2025
10.16	Financial Advisory Agreement dated October 16, 2025 by and between Sphere 3D Corp. and the Financial Advisor		8-K	001-36532	10/17/2025
10.17#	Hosting Agreement between Sphere 3D Corp. and Joshi Petroleum, LLC dated October 18, 2023		S-3/A	001-36532	7/24/2024
14.1	Code of Business Conduct and Ethics Policy		6-K	001-36532	4/1/2015
19.1	Sphere 3D Corp. Insider Trading Policy		10-K	001-36532	3/28/2025
21.1	Subsidiaries of Registrant	X			
23.1	Consent of Independent Registered Public Accounting Firm	X			
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
31.2	Certification of Chief Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
32.2	Certification of Chief Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
97.1	Executive Compensation Clawback Policy		10-K	001-36532	3/28/2025
101.INS	XBRL Instance Document - the instance document does not appear in the interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X			
101.SCH	XBRL Taxonomy Extension Schema	X			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	X			

Exhibit Number	Description	Filed Herewith	Incorporated by Reference		
			Form	File No.	Date Filed
101.DEF	XBRL Taxonomy Extension Definition Linkbase	X			
101.LAB	XBRL Taxonomy Extension Label Linkbase	X			
101.PRE	XBRL Taxonomy Presentation Linkbase	X			
104	Cover Page Interactive Data File (formatted as inline XBRL as contained in Exhibit 101)	X			

+ Management contract or compensation plan or arrangement.

Certain confidential portions of this Exhibit were omitted pursuant to Item 601(b)(10)(iv) by means of marking such portions with brackets (“[***]”); the identified confidential portions (i) are not material and (ii) are customarily and actually treated as private or confidential.

ITEM 16. FORM 10-K SUMMARY

None.

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.

Sphere 3D Corp.

/s/ Kurt L. Kalbfleisch

Kurt L. Kalbfleisch

Chief Executive Officer

Date: March 27, 2026

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Kurt L. Kalbfleisch severally as their attorney-in-fact, each with the power of substitution, for him in any and all capacities, to sign any amendments to this annual report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof. Pursuant to the requirements of the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ KURT L. KALBFLEISCH</u> Kurt L. Kalbfleisch	Chief Executive Officer (Principal Executive and Financial Officer)	March 27, 2026
<u>/s/ TIAH REPPAS</u> Tiah Reppas	Chief Accounting Officer (Principal Accounting Officer)	March 27, 2026
<u>/s/ TIMOTHY HANLEY</u> Timothy Hanley	Director	March 27, 2026
<u>/s/ SUSAN S. HARNETT</u> Susan S. Harnett	Director	March 27, 2026
<u>/s/ DUNCAN J. MCEWAN</u> Duncan J. McEwan	Director	March 27, 2026



SPHERE 3D CORP.

For the Years Ended December 31, 2025 and 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Sphere 3D Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sphere 3D Corp. and its subsidiaries (collectively, the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive loss, shareholders’ equity, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and does not expect to have sufficient cash on hand to fund its operations that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Bitcoin Mining Revenue

As disclosed in Note 2 to the consolidated financial statements, the Company accounts for revenue in accordance with Topic 606, Revenue from Contracts with Customers. The Company provides a service to perform hash calculations to a third-party operated mining pool and in exchange for providing the service, the Company earns non-cash consideration in the form of bitcoin based on the Full-Pay-Per-Share (“FPPS”) payout method set forth by the mining pool operator. Bitcoin mining revenue is comprised of the block reward and transaction fees earned by the Company net of the mining pool fees charged by the mining pool operator. During the years ended December 31, 2025 and 2024, the Company recognized bitcoin mining revenue of approximately \$11.2 million and \$16.6 million, respectively.

We identified the auditing of mining revenue as a critical audit matter due to the nature and extent of audit effort required to perform audit procedures over the Company’s hash calculation service provided to the mining pool operator, the associated contractual payouts including the blockchain contractual inputs, the Company’s valuation of bitcoin received from the mining pool operator and evaluating the results of those procedures.

The primary procedures we performed to address this critical audit matter included the following:

- We independently confirmed with the mining pool operator the significant contractual terms utilized in the determination of mining revenue, total mining rewards earned by the Company, and the Company’s digital asset wallet addresses in which the rewards are deposited.
- Using the Company’s digital asset wallet addresses confirmed by the mining pool operator, we reconciled mining revenue earned from and paid by the mining pool operator against on-chain transactions independently obtained from the blockchain.
- We evaluated the reasonableness of the prices utilized by the Company to value bitcoin by obtaining independent bitcoin prices and comparing those to the prices used by the Company.
- We recalculated the Company’s recorded mining revenue per the calculation prescribed in the FPPS payout method, based on the hash calculation service provided to the mining pool operator, using independently obtained blockchain contractual inputs and independent bitcoin prices.
- We undertook an analytical review of total mining revenue by developing an expectation of the hashrate contributed to the mining pool operator and the mining revenue earned, and compared our expectation to the amount recorded by the Company.

/s/ MaloneBailey, LLP

www.malonebailey.com

We have served as the Company’s auditor since 2022.

Houston, Texas

March 27, 2026

Sphere 3D Corp.
Consolidated Balance Sheets
(in thousands of U.S. dollars, except shares)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,707	\$ 5,425
Bitcoin	3,263	1,394
Investment in equity securities	—	7,530
Other current assets	1,707	3,438
Total current assets	8,677	17,787
Property and equipment, net	14,608	21,967
Intangible assets, net	1,610	3,095
Other non-current assets	225	379
Total assets	<u>\$ 25,120</u>	<u>\$ 43,228</u>
Liabilities, Temporary Equity and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 427	\$ 1,167
Accrued liabilities	544	1,299
Accrued payroll and employee compensation	831	1,398
Other current liabilities	—	31
Total current liabilities	1,802	3,895
Commitments and contingencies (Note 13)		
Temporary equity:		
Series H preferred shares, no par value, unlimited shares authorized, 161 shares issued and outstanding as of both December 31, 2025 and 2024	18	18
Shareholders' equity:		
Common shares, no par value; unlimited shares authorized, 3,392,541 and 2,545,342 shares issued and outstanding as of December 31, 2025 and 2024, respectively	503,414	497,957
Accumulated other comprehensive loss	(1,811)	(1,821)
Accumulated deficit	(478,303)	(456,821)
Total shareholders' equity	23,300	39,315
Total liabilities, temporary equity, and shareholders' equity	<u>\$ 25,120</u>	<u>\$ 43,228</u>

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Consolidated Statements of Operations
(in thousands of U.S. dollars, except share and per share amounts)

	Year Ended December 31,	
	2025	2024
Revenues:		
Bitcoin mining revenue	\$ 11,181	\$ 16,608
Operating costs and expenses:		
Cost of revenue (exclusive of depreciation and amortization shown below)	8,554	13,378
General and administrative	8,266	12,445
Depreciation and amortization	6,878	7,113
Impairment of property and equipment	7,185	1,146
Loss on disposal of property and equipment	1,652	3,545
Change in fair value of Bitcoin	345	(682)
Impairment of other assets	300	1,074
Total operating costs and expenses	33,180	38,019
Loss from operations	(21,999)	(21,411)
Other income (expense):		
Investment gain	438	8,980
Other income, net	81	3,111
Net loss before taxes	(21,480)	(9,320)
Provision for income taxes	2	150
Net loss	<u>\$ (21,482)</u>	<u>\$ (9,470)</u>
Net loss per share:		
Basic and diluted	<u>\$ (7.37)</u>	<u>\$ (4.78)</u>
Shares used in computing net loss per share:		
Basic and diluted	<u>2,914,607</u>	<u>1,980,163</u>

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Consolidated Statements of Comprehensive Loss
(in thousands of U.S. dollars)

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Net loss	\$ (21,482)	\$ (9,470)
Other comprehensive loss:		
Foreign currency translation adjustment	10	(13)
Total other comprehensive loss	10	(13)
Comprehensive loss	<u>\$ (21,472)</u>	<u>\$ (9,483)</u>

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Consolidated Statements of Shareholders' Equity
(in thousands of U.S. dollars, except shares)

	Common Shares		Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance at January 1, 2024	1,537,368	\$ 475,702	\$ (1,808)	\$ (447,371)	\$ 26,523
Cumulative adjustment from adoption of ASU 2023-08	—	—	—	20	20
Issuance of common shares for conversion of preferred shares	619,348	13,775	—	—	13,775
Issuance of common shares and warrants, net	235,000	5,387	—	—	5,387
Issuance of common shares pursuant to the vesting of restricted stock units	105,531	—	—	—	—
Exercise of warrants	28,136	—	—	—	—
Issuance of common shares for settlement of liabilities	19,959	255	—	—	255
Share-based compensation	—	2,838	—	—	2,838
Other comprehensive loss	—	—	(13)	—	(13)
Net loss	—	—	—	(9,470)	(9,470)
Balance at December 31, 2024	2,545,342	497,957	(1,821)	(456,821)	39,315
Issuance of common shares, net	112,791	685	—	—	685
Issuance of common shares pursuant to vesting of restricted stock units, net of shares withheld for income taxes	138,185	232	—	—	232
Issuance and exercise of warrants	596,223	3,708	—	—	3,708
Share-based compensation	—	832	—	—	832
Other comprehensive income	—	—	10	—	10
Net loss	—	—	—	(21,482)	(21,482)
Balance at December 31, 2025	<u>3,392,541</u>	<u>\$ 503,414</u>	<u>\$ (1,811)</u>	<u>\$ (478,303)</u>	<u>\$ 23,300</u>

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Consolidated Statements of Cash Flows
(in thousands of U.S. dollars)

	Year Ended December 31,	
	2025	2024
Operating activities:		
Net loss	\$ (21,482)	\$ (9,470)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment of property and equipment	7,185	1,146
Depreciation and amortization	6,878	7,113
Realized gain on sale of investment in equity securities	(5,355)	(4,063)
Unrealized (gain) loss on investment in equity securities	4,917	(4,917)
Loss on disposal of property and equipment	1,652	3,545
Share-based compensation	832	2,838
Change in fair value of Bitcoin	345	(682)
Impairment of other assets	300	1,074
Issuance of common shares to nonemployees	232	—
Change in fair value of warrant liabilities	(31)	(174)
Bitcoin issued for services	—	538
Changes in operating assets and liabilities:		
Proceeds from sale of Bitcoin	—	14,842
Mining of Bitcoin	(11,181)	(16,608)
Accounts payable and accrued liabilities	(833)	(262)
Accrued payroll and employee compensation	(567)	171
Other assets	980	453
Other liabilities	10	(120)
Net cash used in operating activities	<u>(16,118)</u>	<u>(4,576)</u>
Investing activities:		
Proceeds from sale of Bitcoin	8,967	1,522
Proceeds from sale of equity investment	7,969	11,450
Payments for purchase of property and equipment	(7,499)	(8,944)
Proceeds from sale of property and equipment	555	—
Net cash provided by investing activities	<u>9,992</u>	<u>4,028</u>
Financing activities:		
Proceeds from exercise of warrants	4,106	—
Proceeds from issuance of common shares and warrants	733	5,495
Payments for issuance costs for common shares and warrants	(431)	(108)
Net cash provided by financing activities	<u>4,408</u>	<u>5,387</u>
Net (decrease) increase in cash, and cash equivalents	<u>(1,718)</u>	<u>4,839</u>
Cash, and cash equivalents, beginning of year	5,425	586
Cash, and cash equivalents, end of year	<u>\$ 3,707</u>	<u>\$ 5,425</u>

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Consolidated Statements of Cash Flows continued
(in thousands of U.S. dollars)

	Year Ended December 31,	
	2025	2024
Supplemental disclosures of cash flow information:		
Cash paid for foreign income taxes	\$ 74	\$ 16
Cash paid for interest	\$ —	\$ 323
Supplemental disclosures of noncash investing and financing activities:		
Property and equipment exchanged for settlement of liabilities	\$ 1,571	\$ 825
Property and equipment received by settlement of other assets	\$ 100	\$ —
Settlement of prepaid hosting services deposit with equity securities	\$ —	\$ 10,000
Issuance of common shares for settlement of liabilities	\$ —	\$ 255

See accompanying notes to consolidated financial statements.

Sphere 3D Corp.
Notes to Consolidated Financial Statements

1. Organization and Business

Sphere 3D Corp. was incorporated under the *Business Corporations Act (Ontario)* on May 2, 2007 as T.B. Mining Ventures Inc. On March 24, 2015, the Company completed a short-form amalgamation with a wholly-owned subsidiary. In connection with the short-form amalgamation, the Company changed its name to “Sphere 3D Corp.” Any reference to the “Company”, “Sphere 3D”, “we”, “our”, “us”, or similar terms refers to Sphere 3D Corp. and its subsidiaries. In January 2022, the Company commenced operations of its Bitcoin mining business and is dedicated to becoming a leader in the blockchain and cryptocurrency industry. The Company has established and plans to continue to grow an enterprise-scale mining operation through the procurement of mining equipment and partnering with experienced service providers.

Share Consolidation

On February 9, 2026, the Company filed an Articles of Amendment to effect a share consolidation (also known as a reverse stock split) of its issued and outstanding common shares in the ratio of 1-for-10. The share consolidation was effective on February 9, 2026. The Company’s common shares began trading on an adjusted basis on the Nasdaq Capital Market at the opening of trading on February 10, 2026. All share and per share amounts have been restated for all periods presented to reflect the share consolidation.

Going Concern

Management has projected that based on our recurring losses, negative cash flows from operating activities, and our hashing rate at December 31, 2025, cash on hand may not be sufficient to allow the Company to continue operations and there is substantial doubt about the Company’s ability to continue as a going concern within 12 months from the date of issuance of its financial statements if we are unable to raise additional funding for operations. We expect our working capital needs to increase in the future as we continue to expand and enhance our operations. Our ability to raise additional funds for working capital through equity or debt financings or other sources may depend on the financial success of our business and successful implementation of our key strategic initiatives, financial, economic and market conditions and other factors, some of which are beyond our control. We require additional capital and if we are unsuccessful in raising that capital at a reasonable cost and at the required times, or at all, we may not be able to continue our business operations in the cryptocurrency mining industry or we may be unable to advance our growth initiatives, either of which could adversely impact our business, financial condition and results of operations. In an effort to mitigate these risks we are taking steps to lower our cost of mining and also refresh our mining fleet to increase our mining efficiency.

Significant changes from our current forecasts, including but not limited to: (i) shortfalls from projected mining earning levels; (ii) increases in operating costs; (iii) decreases in the value of cryptocurrency; and (iv) if we do not maintain compliance with the requirements of The Nasdaq Capital Market (“Nasdaq”) and/or we do not maintain our listing with Nasdaq it could have a material adverse impact on the Company’s ability to access the level of funding necessary to continue its operations at current levels. These factors, among others, should they occur may result in the Company’s inability to continue as a going concern within 12 months from the date of issuance of its financial statements. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and do not include any adjustments that might result from the outcome of this uncertainty.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of the Company have been prepared by management in accordance with accounting principles generally accepted in the United States of America (“GAAP”), applied on a basis consistent for all periods. Subsidiaries in which controlling interests are maintained are consolidated. All intercompany balances and transactions have been appropriately eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Foreign Currency Translation

The financial statements of the Company's subsidiary, for which the functional currency is the local currency, is translated into U.S. dollars using the exchange rate at the consolidated balance sheet date for assets and liabilities and a weighted-average exchange rate during the year for revenue, expenses, gains and losses. Translation adjustments are recorded as accumulated other comprehensive income (loss) within shareholders' equity. Gains or losses from foreign currency transactions are recognized in the consolidated statements of operations. Such transactions resulted in a minimal loss for both the years ended December 31, 2025 and 2024.

Cash and Cash Equivalents

Highly liquid investments with insignificant interest rate risk and original maturities of three months or less, when purchased, are classified as cash equivalents. Cash equivalents are composed of money market funds. Cash and cash equivalents that exceed federally insured limits are maintained with financial institutions. The Company has not experienced any losses related to these balances and believes credit risk to be minimal.

Investment in Equity Securities

The Company's investments were in publicly held equity securities which had readily determinable fair values. These equity investments were recorded at fair value with unrealized holding gains and losses recorded in other income or expense in the consolidated statements of operations.

Bitcoin

Bitcoin is included in current assets in the consolidated balance sheets as the Company has the ability to sell it in a highly liquid marketplace, and the sale of Bitcoin is used to fund operating expenses to support operations. Bitcoin is expected to be realized in cash or sold during the Company's normal operating cycle. Bitcoin held are accounted for as intangible assets with indefinite useful lives. Bitcoin awarded to the Company through its mining activities was included within operating activities on the consolidated statements of cash flows. The proceeds from the sale of Bitcoin are included within operating or investing activities in the consolidated statements of cash flows depending on the length of time the Bitcoin is held. Bitcoin is valued at fair value at the end of each reporting period with changes in fair value recorded in operating expenses in the consolidated statements of operations. The fair value of Bitcoin is measured using the period-end closing price from the Company's principal market. When Bitcoin is sold, the gains and losses from such transactions are measured as the difference between the cash proceeds and the carrying basis of the Bitcoin as determined on a first in-first out ("FIFO") basis and are recorded within the same line item, Change in Fair Value of Bitcoin, in the consolidated statements of operations. Effective January 1, 2024, the Company early adopted ASU 2023-08 and recorded a \$20,000 decrease to the opening balance of accumulated deficit and an increase to Bitcoin.

Property and Equipment

Property and equipment primarily consists of mining equipment and infrastructure and is stated at cost, including purchase price, shipping and custom fees, and is depreciated using the straight-line method over the estimated useful lives of the assets, generally three years to ten years.

The carrying amounts of property and equipment are reviewed when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the fair value of the asset is estimated in order to determine the extent of the impairment loss, if any.

Intangible Assets

For intangible assets purchased in a business combination, the estimated fair values of the assets received are used to establish their recorded values. For intangible assets acquired in a non-monetary exchange, the estimated fair values of the assets transferred (or the estimated fair values of the assets received, if more clearly evident) are used to establish their recorded values. Valuation techniques consistent with the market approach, income approach and/or cost approach are used to measure fair value.

Supplier agreements are amortized on a straight-line basis over their economic lives of five years as this method most closely reflects the pattern in which the economic benefits of the assets will be consumed.

Impairment of Intangible Assets

Regular reviews of intangible assets are performed to determine if any event has occurred that may indicate that intangible assets with finite useful lives and other long-lived assets are potentially impaired. Triggering events for impairment reviews may be indicators such as adverse industry or economic trends, restructuring actions, lower projections of profitability, or a sustained decline in the Company's market capitalization. Intangible assets are quantitatively assessed for impairment, if necessary, by comparing their estimated fair values to their carrying values. If the carrying value exceeds the fair value, the difference is recorded as an impairment.

Warrants

Warrants are accounted for as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance. Warrants that meet the definition of a derivative financial instrument, and that also meet the equity scope exception criteria, are classified as equity. Equity classified warrants are recorded at their initial fair value and are not subject to fair value remeasurement provided that the criteria for equity classification continues to be met. Warrants that are classified for liabilities are accounted for at fair value on the consolidated balance sheets, subject to fair value remeasurement at each balance sheet date with changes in fair value recognized in other income, net in the consolidated statements of operations. Warrant liabilities include a common share purchase warrant issued in connection with previously outstanding convertible debt. The classification of warrants, including whether warrants should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. The fair value of both equity-classified and liability-classified warrants are determined using the Black-Scholes options pricing model ("Black-Scholes model") which includes Level 3 inputs.

Revenue Recognition

Revenue is accounted for pursuant to ASU 2014-09, *Revenue from Contracts with Customers* and all the related amendments ("Topic 606"). Under Topic 606, an entity is required to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, and contract consideration will be recognized on a "sell-in basis" or when control of the purchased goods or services transfer to the distributor.

The Company is engaged with Bitcoin mining pool operators, its customers, to provide a service to perform hash calculations for the mining pool operator, which is the Company's only performance obligation. Providing hash calculation services is an output of the Company's ordinary activities. The Company has a service agreement with Foundry Digital LLC, a cryptocurrency mining pool operator, to provide a service to perform hash calculations. In exchange for providing the service, the Company is entitled to Full Pay Per Share ("FPPS"), which is a fractional share of the fixed Bitcoin award the mining pool operator receives, plus a fractional share of the transaction fees attached to that blockchain less net Bitcoin fees due to the mining pool operator over the measurement period, as applicable. The pay-outs received are based on the expected value from the block reward plus the transaction fee reward, regardless of whether the mining pool operator successfully records a block to the blockchain.

The Company's fractional share is based on a contractual formula, which primarily calculates the hashrate provided to the mining pool as a percentage of total network hashrate and other inputs. The contracts, which are less than 24 hours and continuously renew throughout the day, are terminable at any time by either party without compensation and the Company's enforceable right to compensation only begins when the Company starts providing the service to the mining pool operator, which begins daily at midnight Universal Time Coordinated ("UTC"). The terms, conditions, and compensation are at the current market rates, and accordingly the renewal option is not a material right. The contract arises at the point that the Company provides hash calculation services to the mining pool operator, which is the beginning of the contract day at midnight UTC time (contract inception), as customer consumption is in tandem with daily earnings of delivery of the service. According to the customer contract, daily earnings are calculated from midnight-to-23:59:59 UTC time, and the payout is made one hour later at 1:00 AM UTC time.

The Company satisfies its performance obligation over time with daily settlement in Bitcoin. The Company's performance is completed as it transfers the hashrate computations over the continuously renewed contract periods, which are less than 24 hours. The Company has full control of the mining equipment utilized in the mining pool and if the Company determines it will increase or decrease the processing power of its machines and/or fleet (i.e., for repairs or when power costs are excessive) the service provided to the customer will be adjusted.

The transaction consideration the Company receives is noncash consideration in the form of Bitcoin, which the Company measures at fair value at contract inception, midnight UTC time. The noncash consideration is variable, since the amount of block reward earned depends on the amount of hash calculation services, the amount of transaction fees awarded, and operator fees over the same period. The Company does not constrain this variable consideration because it is probable that a significant reversal in the amount of revenue recognized from the contract will not occur when the uncertainty is subsequently resolved and recognizes the noncash consideration on the same day that control is transferred, which is the same day as contract inception. The fair value used to calculate the noncash consideration is based on the Bitcoin spot price in the Company's principal market at the beginning of the day (midnight UTC time) at contract inception. Expenses associated with running the Bitcoin mining operations, such as hosting, operating supplies, utilities, and monitoring services are recorded as cost of revenues.

Operating Segment

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), or decision-making group, in deciding how to allocate resources and assess performance. The Company's CODM is the Chief Executive Officer. The Company operates as one operating segment and uses net income or loss as a measure of profit or loss on a consolidated basis in making decisions regarding resource allocation and performance assessment. Additionally, the CODM regularly reviews the Company's expenses on a consolidated basis. The financial metrics used by the CODM help make key operating decisions, such as determination of capital expenditure purchases and significant acquisitions and allocation of budget between cost of revenues and general and administrative expenses. The measure of segment assets is reported on the consolidated balance sheet as total consolidated assets. The significant expense categories regularly provided to the CODM include cost of revenue, general and administrative expenses, depreciation and amortization, impairment of property and equipment, and change in fair value of Bitcoin. These expense categories are reported as separate line items in the consolidated statements of operations.

Income Taxes

Income taxes are provided for by utilizing the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes generally represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial and tax basis of assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when a judgment is made that it is considered more likely than not that a tax benefit will not be realized. A decision to record a valuation allowance results in an increase in income tax expense or a decrease in income tax benefit. If the valuation allowance is released in a future period, income tax expense will be reduced accordingly.

The calculation of tax liabilities involves evaluating uncertainties in the application of complex global tax regulations. The impact of an uncertain income tax position is recognized at the largest amount that is "more likely than

not” to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

Comprehensive Income (Loss)

Comprehensive income (loss) and its components encompass all changes in equity other than those arising from transactions with shareholders, including net income (loss) and foreign currency translation adjustments, and is disclosed in the condensed consolidated statements of comprehensive income (loss).

Concentration Risk

The Company maintains its cash and cash equivalent balances with three major commercial banks. Deposits held with the financial institutions exceed the amount of insurance provided on such deposits. The Company is exposed to credit risk in the event of a default by the financial institutions holding the cash and cash equivalents to the extent recorded on the consolidated balance sheets. The accounts offered by the custodian of the Company’s Bitcoin are not insured by the Federal Deposit Insurance Corporation (FDIC). There have not been any losses in such accounts.

There are certain customers who individually represented 10% or more of the Company’s revenue. During the years ended December 31, 2025 and 2024, revenue was concentrated with one mining pool operator, Foundry Digital LLC, and all Bitcoin resided with one custodian. In the prior year, the Company also had a service agreement with an additional mining pool operator, Luxor Technology Corporation.

The Company is dependent on a small number of Bitcoin mining equipment suppliers to provide a supply of new generation Bitcoin mining machines. The growth in the Company’s business is directly related to increased demand for hosting services and Bitcoin which is dependent in large part on the availability of new generation mining machines offered for sale at a price conducive to profitable Bitcoin mining. As more companies seek to enter the mining industry, the demand for machines may outpace supply and create mining machine equipment shortages. Currently there is not an agreement with suppliers to purchase additional machines, and therefore there is no guarantee that the Company will be able to purchase machines on terms acceptable to it.

Share-based Compensation

Share-based awards, and similar equity instruments, granted to employees, non-employee directors, and consultants are accounted for in accordance with the authoritative guidance for share-based compensation. Share-based compensation award types may include stock options and restricted stock units (“RSUs”), restricted stock awards (“RSAs”), and performance stock units (“PSUs”). Share-based compensation expense is recognized on a straight-lined basis over the requisite service period (usually the vesting period) except for options with graded vesting which is recognized pursuant to an accelerated method. Share-based compensation expense for an award with a performance condition is recognized when the achievement of such performance condition is determined to be probable. If the outcome of such performance condition is not determined to be probable or is not met, no compensation expense is recognized and any previously recognized compensation expense is reversed. Forfeitures are recognized as a reduction of share-based compensation expense as they occur.

Adoption and Pending Adoption of Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) that are adopted by the Company as of the specified effective date. If not discussed, the Company believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company’s consolidated financial statements upon adoption.

In September 2025, the FASB issued accounting standards update (“ASU”) No. 2025-07, *Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Scope Clarification and Accounting for Certain Contracts and Customer Share-Based Consideration* (“ASU 2025-07”), which narrows the types of contracts subject to derivative accounting by excluding those whose payouts depend solely on an entity’s own operational metrics, rather than market-based variables, and clarifies that share-based or warrant consideration received from a customer is accounted for under Topic 606 until the right to retain the instrument is unconditional, after which the guidance in Topic 815 and 321 applies. The amendments are effective for annual periods beginning after December 15, 2026, which early adoption permitted, and may be applied prospectively or on a modified retrospective basis with an option to elect or

revoke the fair value option for certain instruments upon transition. The Company is currently evaluating the impact of ASU 2025-07 but does not expect it to have a material effect on its consolidated financial statements.

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, which amends existing guidance to allow entities to apply the same principles used in other business combinations when determining the accounting acquirer in a transaction involving a variable interest entity (VIE) that is a business and where consideration is primarily in the form of equity interests. This update addresses comparability concerns and provides for more consistent application of acquisition accounting principles. The amendments are effective for annual periods beginning after December 15, 2026, and interim periods within those years, with early adoption permitted. The Company is currently assessing the potential impact of the standard but does not anticipate that it will have a material impact on its consolidated financial statements.

In May 2025, the FASB also issued ASU 2025-04, *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer*, to address diversity in practice and improve the operability of accounting for share-based consideration granted to customers. The amendments clarify how to distinguish between service and performance conditions for vesting, require entities to estimate forfeitures for all share-based consideration payable to customers, and specify that variable consideration guidance in ASC 606 does not apply when measuring such awards. The guidance is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of this standard on its financial statements but does not expect it to have a material impact on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The guidance is to improve the disclosure of expenses in commonly presented expense captions. The new guidance requires a public entity to provide tabular disclosure, on an annual and interim basis, of amounts for the following expense categories: (1) purchases of inventory, (2) employee compensation, (3) depreciation and (4) intangible asset amortization, as included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement that contains any of the expense categories noted. The guidance is effective for 2027 annual reporting, and in the first quarter of 2028 for interim reporting, with early adoption permitted, to be applied on a prospective basis, with retrospective application permitted. The Company will adopt the guidance when it becomes effective, in its 2027 annual reporting and each quarter thereafter, on a prospective basis. The Company is evaluating the impact the updated guidance will have on its disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires more detailed income tax disclosures. The guidance requires entities to disclose disaggregated information about their effective tax rate reconciliation as well as expanded information on income taxes paid by jurisdiction. The guidance is effective for fiscal year 2025 annual reporting, with early adoption permitted, to be applied on a prospective basis, with retrospective application permitted. The Company adopted the guidance in its 2025 annual reporting on a prospective basis. See Note 12 Income Taxes in the accompanying notes to the consolidated financial statements for further detail.

3. Fair Value Measurements

The authoritative guidance for fair value measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Financial instruments include cash equivalents, investment in equity securities, accounts payable, accrued liabilities, and warrant liabilities. Fair value estimates of these instruments are made at a specific point in time, based on relevant market information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. The carrying amount of cash equivalents, accounts payable and accrued liabilities are generally considered to be representative of their respective fair values because of the short-term nature of those instruments.

The following tables provide a summary of assets and liabilities that are measured at fair value on a recurring basis (in thousands):

December 31, 2025				
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Bitcoin	\$ 3,263	\$ 3,263	\$ —	\$ —
December 31, 2024				
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Investment in equity securities	\$ 7,530	\$ 7,530	\$ —	\$ —
Bitcoin	1,394	1,394	—	—
Total	\$ 8,924	\$ 8,924	\$ —	\$ —
Liabilities:				
Warrant liabilities	\$ 31	\$ —	\$ —	\$ 31

Investment in equity securities was in publicly held equity securities which had readily determinable fair values. During the years ended December 31, 2025 and 2024, the Company recognized an unrealized gain of nil and \$4.9 million, respectively, within other income (expense) in its consolidated statements of operations related to the fair value change of the investment in equity securities.

The fair value of the warrant liabilities was measured using a Black Scholes valuation model with the following assumptions:

	December 31, 2025	December 31, 2024
Common share price	\$ 3.08	\$ 9.39
Expected volatility	75.0 %	125.0 %
Risk-free interest rate	3.7 %	4.2 %
Expected term (in years)	0.3	1.3

The following table presents the activities of warrant liabilities that are measured at fair value (in thousands):

Warrant liability as of January 1, 2024	\$ 205
Change in fair value	(174)
Warrant liability as of December 31, 2024	31
Change in fair value	(31)
Warrant liability as of December 31, 2025	\$ —

Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

Non-financial assets such as property and equipment and intangible assets are recorded at fair value when an impairment is recognized or at the time acquired in an asset acquisition or business combination measured using significant unobservable inputs (Level 3). As discussed in *Note 6, Certain Balance Sheet Items*, during the year ended December 31, 2025 and 2024, impairment charges associated with property and equipment were recorded and reduced the carrying amount of such assets subject to the impairment to their estimated fair value.

4. Bitcoin

The following table presents the activities of Bitcoin (in thousands):

Balance at January 1, 2024	\$	986
Cumulative effect upon adoption of ASU 2023-08		20
Revenue recognized from Bitcoin mined		16,608
Proceeds from sale of Bitcoin		(16,364)
Bitcoin issued for services		(538)
Change in fair value of Bitcoin		682
Balance at December 31, 2024		1,394
Revenue recognized from Bitcoin mined		11,181
Proceeds from sale of Bitcoin		(8,967)
Change in fair value of Bitcoin		(345)
Balance at December 31, 2025	\$	3,263

The following table presents Bitcoin holdings (in thousands except for number of Bitcoin):

	December 31, 2025	December 31, 2024
Number of Bitcoin held	37.3	14.9
Carrying basis of Bitcoin	\$ 3,835	\$ 1,450

For the years ended December 31, 2025 and 2024, the Company had a realized gain of approximately \$0.2 million and \$0.7 million, respectively, on the sale of Bitcoin.

All additions of Bitcoin were generated by the Company's Bitcoin mining operations. All dispositions of Bitcoin were the result of sales on the open market and used to fund operations. Bitcoin holdings are not subject to sale restrictions and do not serve as collateral for any agreements. As of December 31, 2025 and 2024, the Company held no other cryptocurrency.

5. Note Receivable

Rainmaker Promissory Note

In September 2020, the Company entered into a Senior Secured Convertible Promissory Note with Rainmaker Worldwide Inc. (the "Rainmaker Note"), pursuant to which the Company loaned Rainmaker Worldwide Inc. ("Rainmaker") the principal amount of \$3.1 million. The Rainmaker Note is secured as a registered lien under the Uniform Commercial Code and the Personal Property Security Act (Ontario) against the assets of Rainmaker and bears interest at the rate of 10% per annum. In January 2025, the Company and Rainmaker entered into Amendment No. 4 to the Rainmaker Note and the principal amount was revised to \$4.6 million and the due date was extended to January 14, 2026, at which time all principal and accrued interest was due and payable.

In January 2026, the Company and Rainmaker entered into a settlement agreement to the Rainmaker Note and both parties agreed the outstanding amount would be settled by a one-time payment of \$0.5 million by February 27, 2026 (the "Settlement Date"). If such payment is not received by the Settlement Date, the amount will increase by \$50,000 the first business day of each month following the Settlement Date. All amounts related to the Rainmaker Note have been fully reserved in prior periods.

6. Certain Balance Sheet Items

The following table summarizes other current assets (in thousands):

	December 31,	
	2025	2024
Bitcoin mining hosting deposit	\$ 870	\$ 2,490
Prepaid insurance	364	547
Prepaid mining hosting services	259	100
Prepaid services	137	270
Other	77	31
Other current assets	<u>\$ 1,707</u>	<u>\$ 3,438</u>

In January 2025, the Company terminated the Rebel Hosting Agreement and agreed to a settlement amount of \$2.4 million, which was included in Bitcoin mining hosting deposit at December 31, 2024. For the year ended December 31, 2025, the Company recorded a \$0.3 million impairment for the portion of the settlement that was not received by the Company and is in default.

The following table summarizes property and equipment, net (in thousands):

	December 31,	
	2025	2024
Mining equipment	\$ 24,019	\$ 27,214
Infrastructure	1,516	—
Construction in progress	—	1,750
Total	25,535	28,964
Accumulated depreciation	(10,927)	(6,997)
Property and equipment, net	<u>\$ 14,608</u>	<u>\$ 21,967</u>

Depreciation expense for property and equipment was \$5.4 million and \$5.6 million during the years ended December 31, 2025 and 2024, respectively.

The Company sold 2,966 and 3,263 miners during the years ended December 31, 2025 and 2024, respectively, that were included in mining equipment, for proceeds of \$1.8 million and \$1.0 million, respectively. In addition, for the year ended December 31, 2025, there were infrastructure related assets sold for proceeds of \$0.3 million. The Company had a loss on the sale of property and equipment of \$1.7 million and \$3.5 million during the years ended December 31, 2025 and 2024, respectively.

In March 2025, the infrastructure for an 8 MW site in Iowa (“Iowa Site”) was completed, and the Company entered into a management services agreement with Simple Mining LLC (“Simple Mining”) to manage the mining site.

Impairment of Property and Equipment

For the year ended December 31, 2025, an impairment to property and equipment of \$7.2 million was recorded for the expected sales value of mining equipment primarily due to the decline in Bitcoin prices. For the year ended December 31, 2024, an impairment to property and equipment of \$1.1 million was recorded related to idle mining equipment not expected to return to use. The indicated fair value was compared to the carrying value of the mining equipment, and the analysis resulted in an impairment charge. The estimated fair value of the mining equipment is classified in Level 3 of the fair value hierarchy.

The following table summarizes other non-current assets (in thousands):

	December 31,	
	2025	2024
Utilities Deposit	\$ 225	\$ —
Prepaid mining hosting services	—	308
Prepaid services	—	68
Other	—	3
Other non-current assets	<u>\$ 225</u>	<u>\$ 379</u>

7. Intangible Assets

The following table summarizes intangible assets, net (in thousands):

	December 31,	
	2025	2024
Supplier agreements	\$ 37,525	\$ 37,525
Accumulated amortization	(35,915)	(34,430)
Intangible assets, net	<u>\$ 1,610</u>	<u>\$ 3,095</u>

Amortization expense of intangible assets was \$1.5 million for both the years ended December 31, 2025 and 2024. Estimated amortization expense for intangible assets is approximately \$1.5 million and \$0.1 million in fiscal year 2026 and 2027, respectively.

8. Preferred Shares

Series H Preferred Shares

On October 1, 2021, the Company filed articles of amendment to create a series of preferred shares, being, an unlimited number of Series H Preferred Shares and to provide for the rights, privileges, restrictions and conditions attaching thereto. The Series H Preferred Shares are convertible provided (and only if and to the extent) that prior shareholder approval of the issuance of all Sphere 3D common shares issuable upon conversion of the Series H Preferred Shares has been obtained in accordance with the rules of the Nasdaq Stock Market, at any time from time to time, at the option of the holder thereof, into 14.286 Sphere 3D common shares for every Series H Preferred Share. Each holder of the Series H Preferred Shares, may, subject to prior shareholder approval, convert all or any part of the Series H Preferred Shares provided that after such conversion the common shares issuable, together with all the common shares held by the shareholder in the aggregate would not exceed 9.99% of the total number of outstanding common shares of the Company. Each Series H Preferred Share has a stated value of \$1,000. The Series H Preferred Shares are non-voting and do not accrue dividends. These features include, in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, deemed liquidation or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the Series H Preferred Shares shall entitle each of the holders thereof to receive an amount equal to the Series H subscription price per Series H Preferred Share, as defined in the agreement, to be paid before any amount is paid or any assets of the Company are distributed to the holders of its common shares.

In accordance with the authoritative guidance for distinguishing liabilities from equity, the Company has determined that its Series H preferred shares carry certain redemption features beyond the control of the Company. Accordingly, the Series H Preferred Shares are presented as temporary equity. For the years ended December 31, 2025 and 2024, the Company issued nil and 619,348 common shares, respectively, for the conversion of nil and 4,341 Series H Preferred Shares, respectively.

9. Share Capital

At-the-Market Offering Program

On January 3, 2025, the Company entered into a sales agreement (the “AGP Agreement”) with A.G.P./Alliance Global Partners (the “Sales Agent”). In accordance with the terms of the AGP Agreement, the Company may offer and sell from time to time through or to the Sales Agent, as agent or principal, the Company's common shares having an aggregate offering price of up to \$8.0 million (the “Placement Shares”). The AGP Agreement can be terminated by either party by giving two days written notice.

Neither the Company nor the Sales Agent are obligated to sell any Placement Shares pursuant to the AGP Agreement. Subject to the terms and conditions of the AGP Agreement, the Sales Agent will use commercially reasonable efforts, consistent with its normal trading and sales practices and applicable state and federal law, rules and regulations and the rules of Nasdaq, to sell the Placement Shares from time to time based upon the Company's instructions, including any price, time or size limits or other customary parameters or conditions the Company may impose. Sales of the Placement Shares, if any, will be made on Nasdaq at market prices by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended. For the year ended December 31, 2025, through the At-the-Market Offering program 112,791 common shares were issued for net proceeds of \$0.7 million.

Warrant Inducement

On October 16, 2025, the Company entered into a warrant inducement agreement with an existing institutional investor of the Company for the immediate exercise of the November 19, 2024 warrants to purchase 436,823 common shares (the “November 2024 Warrants”) of the Company. The November 2024 Warrants had an exercise price of \$15.00 and were exercised at a reduced exercise price of \$9.40 for total gross cash proceeds of \$4.1 million, before deducting financial advisor fees and other transaction expenses of \$0.4 million.

In consideration for the immediate exercise in full of the November 2024 Warrants, the investor received in a private placement new unregistered warrants to purchase up to 873,643 common shares (the “October 2025 Warrants”). The October 2025 Warrants were approved by the shareholders as required by the agreement, have an exercise price of \$9.40, are exercisable beginning January 15, 2026, and expire five years from such date. The warrants contain standard anti-dilution adjustments to the exercise price including for share splits, share dividends, rights offerings and pro rata distributions. A holder will not have the right to exercise any portion of the October 2025 Warrants if the holder (together with its affiliates) would beneficially own in excess of 9.99% of the number of the Company's common shares outstanding immediately after giving effect to the exercise of the warrants.

The fair value of the October 2025 Warrants and November 2024 Warrants was calculated using a Black-Scholes model. The relative fair value assigned to the October 2025 Warrants and fair value assigned to the modification of the November 2024 Warrants were approximately \$6.3 million and \$0.2 million, respectively, and were recognized as share issuance costs.

Registered Direct Offering and Concurrent Private Placement

On November 19, 2024, Company entered into a Securities Purchase Agreement (the “2024 Purchase Agreement”) with a single institutional investor (the “Purchaser”) pursuant to which the Company issued and sold (i) 235,000 common shares of the Company (the “Shares”), and (ii) pre-funded warrants (the “Pre-Funded Warrants”) to purchase up to 187,536 of the Company's common shares (such offering, the “Registered Offering”). The Shares had a purchase price of \$14.20 per share; and the Pre-Funded Warrants had a purchase price of \$14.199 per share, an exercise price of \$0.001 per share, and have been exercised in full. For the years ended December 31, 2025 and 2024, the Pre-Funded Warrants to purchase 159,400 and 28,136 common shares, respectively, were exercised.

In a concurrent private placement (the “Private Placement” and together with the Registered Offering, the “Offerings”), the Company also agreed to issue to the same Purchaser warrants to purchase up to 422,537 of its common shares (the “November 2024 Warrants”). The November 2024 Warrants had an exercise price of \$15.00 per share, were exercisable commencing six months from the date of issuance, and expire on May 21, 2030. Such warrants were exercised in full in October 2025, see additional disclosure above under the caption, *Warrant Inducement*.

The Registered Offering gross proceeds was \$6.0 million, and net proceeds after deducting the placement agent's fees and other offering expenses paid by the Company, was approximately \$5.4 million. A.G.P./Alliance Global Partners ("Placement Agent") acted as the sole placement agent in connection with the Offerings pursuant to a Placement Agent Agreement, dated as of November 19, 2024, between the Company and the Placement Agent (the "Placement Agent Agreement"). Pursuant to the Placement Agent Agreement, the Placement Agent was paid a 7.0% commission and reimbursement of certain Placement Agent expenses for an aggregate amount of approximately \$0.5 million. The Company paid an additional \$0.1 million of costs related to the Offerings. The Company used the net proceeds from the Offerings to accelerate efficiency and for the purchase or upgrade of the Company's Bitcoin mining fleet, vertical integration of infrastructure, as well as general corporate purposes.

In connection with the Offerings, the Company amended existing warrants to purchase up to 14,286 common shares of the Company, with an exercise price of \$665.00 per share, that were previously issued to the Purchaser participating in the Offerings. Effective at the closing date of the Offerings, such existing warrants were amended to reduce the exercise price to \$15.00 per share, change the initial exercise date to May 21, 2025, and change the expiration date to May 21, 2030. All the other terms of the prior warrants remained unchanged. The Company accounted for the reduced exercise price and amended expiration date of the existing warrants as a modification. As the nature of the modification was to induce exercise and raise additional capital, the modification was accounted for as an equity issuance cost on the date the offer was accepted by the Purchaser, equal to the excess fair value of the modified warrants post modification of \$0.2 million. Such warrants were exercised in full in October 2025, see additional disclosure above under the caption, *Warrant Inducement*.

The Company assessed the terms of the Pre-Funded Warrants and November 2024 Warrants (together the "Offering Warrants") issued in connection with the Registered Offering and determined that these should be classified as equity instruments. Furthermore, the exercise and settlement provisions of the Offering Warrants do not preclude equity classification. Accordingly, the Offering Warrants were determined to be equity classified. The proceeds from the Registered Offering were allocated to each of the equity instruments issued based on their relative fair values and recorded in common shares on the consolidated balance sheets. The fair value of the November 2024 Warrants was calculated using a Black-Scholes model. The relative fair value assigned to the November 2024 Warrants was approximately \$2.6 million.

Unlimited authorized shares of common shares at no par value are available to the Company. At December 31, 2025, the following table summarizes outstanding warrants to purchase common shares:

Date issued	Contractual life (years)	Exercise price	Number outstanding	Expiration
September 2021	5.0	\$ 665.00	142,955	September 8, 2026
February 2022	5.0	\$ 280.00	1,429	February 7, 2027
February 2022	5.0	\$ 350.00	1,429	February 7, 2027
February 2022	5.0	\$ 420.00	1,429	February 7, 2027
April 2023	3.0	\$ 13.42	7,356	April 17, 2026
August 2023	3.0	\$ 27.50	80,000	August 11, 2026
August 2023	3.0	\$ 27.50	216,293	August 23, 2026
October 2025	5.0	\$ 9.40	873,643	January 15, 2031
			<u>1,324,534</u>	

10. Equity Incentive Plan

In May 2025, the shareholders approved the adoption of the Company's 2025 Performance Incentive Plan ("2025 Plan"). As of December 31, 2025, an aggregate of 576,644 common shares are authorized for issuance with respect to awards granted under the previous performance plan and the 2025 Plan. In addition, the share limit will automatically increase on the first trading day in January of each calendar year during the term of the 2025 Plan by an amount equal to the lesser of (i) 10% of the total number of common shares issued and outstanding on December 31 of the immediately preceding calendar year, or (ii) such number of common shares as may be established by the Board. The 2025 Plan authorizes the board of directors to grant stock and options awards to directors, employees and consultants. As of December 31, 2025, the Company had approximately 303,857 share-based awards available for future grants under the 2025 Plan.

Stock Options

The following table summarizes option activity:

	Shares Subject to Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding — January 1, 2025	44,315	\$ 51.14		
Granted	14,950	\$ 7.92		
Exercised	—	\$ —		
Forfeited	(2,679)	\$ 126.00		
Outstanding — December 31, 2025	56,586	\$ 36.18	3.6	\$ —
Vested and expected to vest — December 31, 2025	56,586	\$ 36.18	3.6	\$ —
Exercisable — December 31, 2025	41,636	\$ 46.33	3.0	\$ —

The weighted average grant date fair values of options granted during the years ended December 31, 2025 and 2024 were \$6.69 per share and \$16.68 per share, respectively.

The fair value of option awards are estimated on the date of grant using the Black-Scholes option pricing model. Expected volatility was based on historical volatility of the Company's common shares. The expected term of options granted was based on the simplified method. The risk-free interest rate was based on the U.S. Treasury yield for a period consistent with the expected term of the option in effect at the time of the grant. The dividend yield assumption was based on the expectation of no future dividend payments. Option awards can be granted for a maximum term of up to ten years. The assumptions used in the Black-Scholes model were as follows:

	Year Ended December 31,	
	2025	2024
Expected volatility	148.0 %	124.3-126.1%
Expected term (in years)	3.5	3.5
Risk-free interest rate	4.0 %	4.1-4.6%
Dividend yield	—	—

Restricted Stock Units

The following table summarizes RSU activity:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding — January 1, 2025	76,081	\$ 19.83
Granted	353,738	\$ 6.91
Vested and released	(128,013)	\$ 9.87
Forfeited	(122,641)	\$ 12.80
Outstanding — December 31, 2025	179,165	\$ 6.23
Vested and unreleased — December 31, 2025	8,983	\$ 9.30

The estimated fair value of RSUs was based on the closing market value of the Company's common shares on the date of grant. RSUs typically vest over a period of one year to three years from the original date of grant. The total grant date fair value of RSUs vested during the years ended December 31, 2025 and 2024 was approximately \$1.2 million and \$2.3 million, respectively. The fair value of RSUs vested during the years ended December 31, 2025 and 2024 was approximately \$0.8 million and \$1.6 million, respectively. The intrinsic value of RSUs vested during the years ended December 31, 2025 and 2024 was \$0.1 million and nil, respectively.

Restricted Stock Units with a Performance Condition

In July 2025, the Company entered into a financial advisory agreement and issued to nonemployees RSU grants with a performance condition. On the grant date, 50% of the RSUs were vested and common shares issued, and the remaining will vest upon achievement of a specific performance condition and expire 12 months from the date of grant. See Note 13 Commitments and Contingencies for more information on the related financial advisory agreement.

The following table summarizes RSU with performance condition activity:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding — January 1, 2025	—	\$ —
Granted	74,074	\$ 6.25
Vested	(37,038)	\$ 6.25
Forfeited	—	\$ —
Outstanding — December 31, 2025	37,036	\$ 6.25

The fair value of RSUs with a performance condition vested during the year ended December 31, 2025 was \$0.2 million.

Restricted Stock Awards

During the year ended December 31, 2025, no restricted stock awards ("RSA") were granted. During the year ended December 31, 2024, fully vested RSAs were granted to certain employees and consultants in lieu of cash payment for services performed. The estimated fair value of the RSAs was based on the market value of the Company's common shares on the date of grant. The fair value of RSAs vested during the year ended December 31, 2024 was approximately \$0.3 million.

Share-Based Compensation Expense

The following compensation expense related to share-based compensation awards was recorded (in thousands):

	Year Ended December 31,	
	2025	2024
Total share-based compensation expense - general and administrative	\$ 832	\$ 2,838

Total unrecognized estimated compensation cost by type of award and the weighted-average remaining requisite service period over which such expense is expected to be recognized (in thousands, unless otherwise noted):

	December 31, 2025	
	Unrecognized Expense	Remaining Weighted-Average Recognition Period (years)
RSUs	\$ 880	1.3
Stock options	\$ 42	0.4

11. Net Loss per Share

Basic net loss per share is computed by dividing net loss applicable to common shareholders by the weighted-average number of common shares outstanding during the period. Preferred shares, common share outstanding purchase warrants, and outstanding options and RSUs are considered common stock equivalents and are only included in the calculation of diluted earnings per common share when net income is reported and their effect is dilutive. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company's net loss position.

At December 31, 2024, the Company included the outstanding 159,400 Pre-Funded Warrants issued in November 2024 in the computation of basic and diluted shares outstanding as the stated exercise price was not substantive.

Anti-dilutive common share equivalents excluded from the computation of diluted net loss per share were as follows:

	December 31,	
	2025	2024
Common share purchase warrants	1,324,534	891,916
Options and RSUs outstanding	272,787	120,396
Preferred shares	2,300	2,300

12. Income Taxes

The Company is subject to taxation in Canada and in the United States ("U.S."). Sphere 3D Corp. is a Canadian entity that files tax returns in Canada and the U.S. as it carries on a trade or business in various states in the United States. The Company's tax returns for calendar year 2018 and forward are subject to examination by the Canadian tax authorities. The Company's tax returns for fiscal year 2022 and forward are subject to examination by the U.S. federal and state tax authorities.

The Company recognizes the impact of an uncertain income tax position on its income tax return at the largest amount that is "more likely than not" to be sustained upon audit by the relevant taxing authority. An uncertain tax position will not be recognized if it has less than a 50% likelihood of being sustained.

At December 31, 2025, there were no unrecognized tax benefits. The Company believes it is reasonably possible that, within the next 12 months, the amount of unrecognized tax benefits may remain unchanged. The Company recognizes interest and penalties related to unrecognized tax benefits in its provision for income taxes. The Company had no material accrual for interest and penalties on its consolidated balance sheets at December 31, 2025 and 2024, and recognized no material interest and/or penalties in the consolidated statements of operations for the years ended December 31, 2025 and 2024.

The components of loss before income taxes were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Domestic	\$ (20,094)	\$ (9,320)
Foreign	(1,386)	—
Net loss before income taxes	<u>\$ (21,480)</u>	<u>\$ (9,320)</u>

The components of provision for income taxes were as follows (in thousands):

	Year Ended December 31, 2025
Foreign:	
Current	\$ 2
Deferred	—
Total provision for income taxes	<u>\$ 2</u>

On July 4, 2025, the U.S. enacted tax legislation referred to as the One Big Beautiful Bill (“OB BB”). The OB BB included significant changes to U.S. income tax laws, including accelerated depreciation on eligible capital expenditures and other tax law changes impacting 2025 with certain changes effective in 2026. The OB BB did not have a material impact on the Company’s 2025 effective tax rate.

The following is a reconciliation of the federal statutory income tax rate to the effective tax rate (in thousands):

	Year Ended December 31, 2025	
	Value	Percent
Income tax at statutory rate	\$ (5,691)	26.5 %
Foreign tax effects		
United States		
Statutory tax rate difference between U.S. and Canada	(4,131)	19.2
State and local taxes net of U.S. federal income tax effect ⁽¹⁾	(1,121)	5.2
Change in valuation allowance	7,960	(37.1)
Changes in state tax rates	(2,523)	11.7
Other	183	(0.8)
Change in valuation allowance	4,822	(22.4)
Nontaxable or nondeductible items		
Share-based compensation expense	193	(0.9)
Other	310	(1.4)
Provision for income taxes	<u>\$ 2</u>	<u>— %</u>

(1) The tax effect in this category primarily reflects state and local taxes in California and Connecticut.

Prior to the adoption of ASU 2023-09, a reconciliation of income taxes computed by applying the federal statutory income tax rate of 26.5% to loss before income taxes to the total income tax provision is as follows (in thousands):

	Year Ended December 31, 2024
Income tax at statutory rate	\$ (2,470)
Change in valuation allowance	48,752
Tax impact of U.S. permanent establishment	(44,819)
Foreign rate differential	(1,801)
State income taxes, net of federal benefit	82
Change to provision and other true-ups	(446)
Share-based compensation expense	651
Other differences	201
Provision for income taxes	<u>\$ 150</u>

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are shown below. A valuation allowance has been recorded, as realization of such assets is uncertain.

Deferred income taxes are comprised as follows (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss and capital loss carryforwards	\$ 113,396	\$ 109,300
Intangible assets	26,943	25,912
Impairment of investments	7,645	6,976
Provision for losses on notes receivable	2,413	2,096
Share-based compensation	482	511
Provision for losses on deposits due to vendor bankruptcy filings	180	332
Other	2,549	1,014
Deferred tax assets, gross	153,608	146,141
Valuation allowance for deferred tax assets	(149,990)	(137,208)
Deferred tax assets, net of valuation allowance	<u>3,618</u>	<u>8,933</u>
Deferred tax liabilities:		
Property and equipment	(3,618)	(7,630)
Investment in equity securities	—	(1,303)
Deferred tax liabilities	<u>(3,618)</u>	<u>(8,933)</u>
Net deferred tax assets (liabilities)	<u>\$ —</u>	<u>\$ —</u>

At December 31, 2025, the Company had U.S. federal and state net operating loss carryforwards of \$183.5 million and \$16.3 million, respectively. U.S. federal net operating losses do not expire and will be carried forward indefinitely until utilized. State net operating loss carryforwards begin to expire in 2043. At December 31, 2025, the Company had Canadian net operating loss carryforwards of \$260.8 million. These carryforwards will begin expiring December 31, 2031, unless previously utilized. The Company also has net capital loss carryforwards in Canada of \$37.8 million, which are available indefinitely to offset taxable capital gains.

13. Commitments and Contingencies

Hosting Agreements

On November 1, 2025, the Company entered into a Hosting Agreement with North Campbell HostCo LLC (the “Campbell Hosting Agreement”), for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of the Company’s mining equipment. The Campbell Hosting Agreement has an initial term of 12 months and can be terminated based on certain defaults defined in such agreement. An initial deposit of \$0.3 million was made based on the Campbell Hosting Agreement. During the year ended December 31, 2025, the Company incurred costs under the Campbell Hosting Agreement of \$0.3 million.

On April 19, 2024, the Company entered into a Master Hosting Agreement with Simple Mining LLC (“Simple Mining”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of the Company’s mining equipment. On September 25, 2024, the Company entered into Amendment No. 2 to the Master Hosting Agreement (“Simple Mining Hosting”) for certain of the Company’s mining machines to be hosted at Simple Mining’s facility in Iowa. The Simple Mining Hosting agreement has a term of two years and can be terminated by the Company with 30 days advance notice. On September 25, 2024, the Company entered into Amendment No. 3 to the Master Hosting Agreement (“Simple Mining XP Hosting”) for certain mining machines to be racked at Simple Mining’s facility in Iowa until the Company’s Iowa Site was completed. The Simple Mining XP Hosting agreement can be terminated by the Company with 30 days advance notice. The Company paid Simple Mining a deposit of \$0.6 million representing 30 days of estimated service fees. Effective November 22, 2025, the Simple Mining Hosting and Simple Mining XP Hosting agreements were mutually terminated. During the years ended December 31, 2025 and 2024, the Company incurred aggregate costs under the Simple Mining Hosting and Simple Mining XP Hosting agreements of \$3.9 million and \$1.7 million, respectively.

On October 18, 2023, the Company entered into a Hosting Agreement with Joshi Petroleum, LLC (the “Joshi Hosting Agreement”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of the Company’s mining equipment. The Joshi Hosting Agreement has an initial term of three years with subsequent one year renewal periods until either party provides written notice to the other party of its desire to avoid and given renewal term at least 30 days in advance of the conclusion of the prior initial term or renewal period. As required by the Joshi Hosting Agreement, the Company paid a deposit of \$0.3 million representing the last two months of estimated service fees. During both the years ended December 31, 2025 and 2024, the Company incurred costs under the Joshi Hosting Agreement of \$1.6 million. Effective January 2, 2026, the Joshi Hosting Agreement was assigned to Evolution Technology LLC.

On April 4, 2023, the Company entered into a Master Hosting Services Agreement with Rebel Mining Company, LLC (the “Rebel Hosting Agreement”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of the Company’s mining equipment. The Rebel Hosting Agreement had a term of three years with subsequent one year renewal periods. During the year ended December 31, 2024, the Company recorded a \$0.9 million impairment to prepaid service fees held by Rebel Mining Company and is included in impairment of other assets on the consolidated statement of operations. On January 16, 2025, the Company terminated the Rebel Hosting Agreement and agreed to a settlement amount of \$2.4 million payable to the Company in satisfaction of all obligations of the Rebel Hosting Agreement and it constitutes a final settlement of all amounts owed by either party of the Rebel Hosting Agreement. For the year ended December 31, 2025, the Company recorded a \$0.3 million impairment for the remaining outstanding portion of the settlement that is in default. During the years ended December 31, 2025 and 2024, the Company incurred costs under the Rebel Hosting Agreement of \$0.1 million and \$3.7 million, respectively.

On February 8, 2023, the Company entered into a Hosting Agreement with Lancium FS 25, LLC (the “Lancium Hosting Agreement”) for rack space, network services, electrical connections, routine facility maintenance, and technical support of certain of the Company’s mining equipment. The Lancium Hosting Agreement had a term of two years with subsequent one year renewal periods. During the years ended December 31, 2025 and 2024, the Company incurred costs under the Lancium Hosting Agreement of nil and \$3.0 million, respectively. On November 15, 2024, both parties terminated the Lancium Hosting Agreement, which resulted in the return of the deposit, and waiving of outstanding service fees in exchange for the mining equipment in immersion. During the year ended December 31, 2024, the Company recorded a \$2.3 million loss on equipment retained by Lancium, as agreed upon in the Termination Agreement, which is included in loss on disposal of property and equipment on the consolidated statement of operations.

On June 3, 2022, the Company entered into a Master Agreement with Compute North LLC (the “Compute North MA”) for, the colocation, management, and other services of certain of the Company’s mining equipment. In December 2022, the Compute North MA was assigned to GC Data Center Granbury, LLC (the “GC Data Center MA”). In the first quarter of 2024, Marathon Digital Holdings acquired GC Data Center Granbury Equity Holdings, LLC and assumed the GC Data Center MA. The GC Data Center MA had a term of five years beginning December 2022. The Company incurred costs under the GC Data Center MA of nil and \$2.7 million during the years ended December 31, 2025 and 2024, respectively. On August 28, 2024, the Company and GC Data Center Granbury, LLC (the “Host”) mutually entered into a termination agreement effective August 31, 2024, and the Host paid a termination fee to the Company of \$3.0 million to settle all matters pertaining to the GC Data Center MA including all services and deposit prepayment for estimated services fees, which is included within other income (expense) in its consolidated statements of operations.

Management Agreement

In March 2025, the Company entered into a management services agreement with Simple Mining LLC (“Simple Mining”) to manage its Iowa Site for a term of 12 months, with automatic renewals for subsequent terms of 12 months unless terminated by either party with written notice 30 days prior to the expiration of the then current term. For the year ended December 31, 2025, management services fees paid to Simple Mining were approximately \$0.2 million.

Financial Advisory Agreement

In July 2025, the Company entered into a financial advisory and consulting agreement for a term of 12 months, with automatic 30 days renewal periods. The agreement can be canceled by either party at any time with 10 days written notification to the other party. Fees are \$25,000 per month for ongoing work, and a \$1.45 million fee for certain transactions, payable in cash and equity. For the year ended December 31, 2025, fees paid under the financial and advisory agreement were \$0.4 million.

Letters of Credit

During the ordinary course of business, the Company provides standby letters of credit to third parties as required for certain transactions initiated by the Company. As of December 31, 2025, the Company had no outstanding standby letters of credit.

Litigation

The Company is, from time to time, subject to claims and suits arising in the ordinary course of business. The Company cannot predict the final outcome of such proceedings. Where appropriate, the Company vigorously defends such claims, lawsuits and proceedings. Paid expenses related to the defense of such claims are recorded by the Company as incurred and paid. On the basis of current information, the Company does not believe there is a reasonable possibility that a material loss, if any, will result from any claims, lawsuits and proceedings to which the Company is subject to either individually, or in the aggregate.

14. Subsequent Events

Business Combination

On March 5, 2026, the Company and Cathedra Bitcoin Inc. (“Cathedra”), entered into a definitive agreement to combine the two companies in an all-stock transaction. Under the terms of the definitive arrangement agreement, entered into on March 5, 2026 (the “Arrangement Agreement”), the Company has agreed to acquire all of the issued and outstanding shares of Cathedra (the “Transaction”), subject to customary closing conditions, including regulatory, court, and shareholder approvals, such that upon consummation of the Transaction, Cathedra will be a wholly-owned subsidiary of the Company. If the Arrangement Agreement is terminated in certain specified circumstances, the Company or Cathedra would be required to pay the other party a termination fee of \$0.5 million.

Equity Incentive Plan Grants

On March 4, 2026, the Company granted 472,222 RSUs and 45,532 RSAs with an aggregate fair value of \$0.7 million. The RSUs have a vesting period of 12 months and the RSAs were granted fully vested.

At-the-Market Offering Program

During March 2026, under the AGP Agreement the Company issued 256,142 common shares for \$0.4 million of net proceeds.

Sale and Purchase of Property and Equipment

On February 9, 2026, the Company sold approximately 7,700 older generation miners included in property and equipment for 437 newer generation miners with a value of \$1.1 million.

NUMBER CERT.9999	 Sphere3D (INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ONTARIO) THIS CERTIFIES THAT ** SPECIMEN ** * NINE BILLION AND 00/100 * FULLY PAID AND NON-ASSESSABLE COMMON SHARES IN THE CAPITAL OF SPHERE 3D CORP. transferable only on the books of the Corporation by the registered holder in person or by duly authorized Attorney on surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned and registered by the Transfer Agent and Registrar of the Corporation. IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by its duly authorized officers. DATED: JANUARY 01, 2009 <table border="0"> <tr> <td>COUNTERSIGNED AND REGISTERED by TSX Trust Company 301 - 100 Adelaide Street West Toronto, ON M5H 4H1 Main Transfer Agent and Registrar</td> <td style="text-align: center;">OR</td> <td>COUNTERSIGNED by Continental Stock Transfer & Trust Co. 1 State Street, 30th Floor New York, NY 10004 Co-Transfer Agent</td> </tr> </table> By _____ AUTHORIZED OFFICER By _____ AUTHORIZED OFFICER  Kurt L. Kalbfleisch Chief Executive Officer & Chief Financial Officer The Shares represented by this Certificate are transferable at the offices of TSX Trust Company, Toronto, Ontario, Canada, and at the offices of Continental Stock Transfer & Trust Company, New York, New York, USA	COUNTERSIGNED AND REGISTERED by TSX Trust Company 301 - 100 Adelaide Street West Toronto, ON M5H 4H1 Main Transfer Agent and Registrar	OR	COUNTERSIGNED by Continental Stock Transfer & Trust Co. 1 State Street, 30th Floor New York, NY 10004 Co-Transfer Agent	SHARES ***9,000,000,000*** ***9,000,000,000*** ***9,000,000,000*** ***9,000,000,000*** ***9,000,000,000***
COUNTERSIGNED AND REGISTERED by TSX Trust Company 301 - 100 Adelaide Street West Toronto, ON M5H 4H1 Main Transfer Agent and Registrar	OR	COUNTERSIGNED by Continental Stock Transfer & Trust Co. 1 State Street, 30th Floor New York, NY 10004 Co-Transfer Agent			

CUSIP: 84841L506
ISIN: CA84841L5062

SECURITY INSTRUCTIONS ON REVERSE VOIR LES INSTRUCTIONS DE SECURITE AU VERSO

00030992

FOR VALUE RECEIVED, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL INSURANCE NUMBER OF TRANSFEREE

				-					-				

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE)

Shares

of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Attorney
to transfer the said Stock on the Books of the within named Corporation, with full power of substitution in the premises.

Dated _____

Signature: _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.

In the presence of:

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (BANKS, STOCKBROKERS, SAVING AND LOANS ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE A4-15.



RESTRICTIONS



SECURITY INSTRUCTIONS - INSTRUCTIONS DE SÉCURITÉ
THIS IS WATERMARKED PAPER, DO NOT ACCEPT WITHOUT NOTING
WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.
PAPIER FILIGRANE, NE PAS ACCEPTER SANS VÉRIFIER LA PRÉSENCE
DU FILIGRANE POUR CE PAPIER. PLACER À LA LUMIÈRE.

DESCRIPTION OF SECURITIES

Sphere 3D Corp. (the “Company”) authorized capital shares consist of unlimited number of common shares, no par value; unlimited number of Series A Preferred Shares, no par value; unlimited number of Series B Preferred Shares, no par value; unlimited number of Series C Preferred Shares, no par value; unlimited number of Series D Preferred Shares, no par value; unlimited number of Series E Preferred Shares, no par value; unlimited number of Series F Preferred Shares, no par value; unlimited number of Series G Preferred Shares, no par value; and unlimited number of Series H Preferred Shares, no par value. As of March 23, 2026, issued and outstanding were 3,767,086 common shares, and 161 Series H Preferred Shares. There are no Series A, Series B, Series C, Series D, Series E, Series F, or Series G Preferred Shares outstanding. Pursuant to our articles of amalgamation, the Board of Directors has the authority to fix and determine the voting rights, rights of redemption and other rights and preferences of preferred shares. The Series H Preferred Shares have no voting rights.

The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of the Business Corporation Act (Ontario) and our Articles and By-laws. The Company encourages you to review its:

- Articles of Amendment dated June 28, 2023;
- Articles of Amendment dated October 1, 2021;
- Articles of Amendment dated July 13, 2021;
- Articles of Amendment dated January 4, 2021;
- Articles of Amendment dated September 29, 2020;
- Articles of Amendment dated May 6, 2020;
- Articles of Amendment dated November 6, 2019;
- Articles of Amendment dated July 12, 2019;
- Articles of Amendment dated November 13, 2018;
- Articles of Amendment dated November 5, 2018;
- Articles of Amendment dated September 28, 2018;
- Articles of Amendment dated July 11, 2017;
- Articles of Amalgamation dated March 24, 2015;
- By-law No. 1, as amended; and
- By-law No. 2.

Common Shares

Voting, Dividend and Other Rights. Each outstanding common share entitles the holder to one vote on all matters presented to the shareholders for a vote. Holders of common shares have no cumulative voting, pre-emptive, subscription or conversion rights. All common shares to be issued pursuant to this registration statement will be duly authorized, fully paid and non-assessable. Our Board of Directors determines if and when distributions may be paid out of legally available funds to the holders. To date, the Company has not declared any dividends with respect to its common shares. Our declaration of any cash dividends in the future will depend on our Board of Directors’ determination as to whether, in light of our earnings, financial position, cash requirements and other relevant factors existing at the time, it appears advisable to do so. The Company does not anticipate paying cash dividends on the common shares in the foreseeable future.

Rights Upon Liquidation. Upon liquidation, subject to the right of any holders of preferred shares to receive preferential distributions, each outstanding common share may participate pro rata in the assets remaining after payment of, or adequate provision for, all our known debts and liabilities.

Majority Voting. Two holders representing not less than 33 $\frac{1}{3}$ % of the outstanding common shares constitute a quorum at any meeting of the shareholders. A plurality of the votes cast at a meeting of shareholders elects our directors. The common shares do not have cumulative voting rights. Therefore, the holders of a majority of the outstanding common shares can elect all of our directors. In general, a majority of the votes cast at a meeting of shareholders must authorize shareholder actions other than the election of directors.

Preferred Shares

Authority of Board of Directors to Create Series and Fix Rights

Under our certificate of amalgamation, as amended, our Board of Directors can issue an unlimited number of preferred shares from time to time in one or more series. The Board of Directors is authorized to fix by resolution as to any series the designation and number of shares of the series, the voting rights, the dividend rights, the redemption price, the amount payable upon liquidation or dissolution, the conversion rights, and any other designations, preferences or special rights or restrictions as may be permitted by law. Unless the nature of a particular transaction and the rules of law applicable thereto require such approval, our Board of Directors has the authority to issue these preferred shares without shareholder approval.

Series H Preferred Shares

The holders of Series H Preferred Shares have the following rights, restrictions and privileges in respect of their preferred shares:

- The Series H Preferred Shares are convertible into 14,286 Sphere 3D common shares for every one Series H Preferred Share. Each holder may convert such holders Series H Preferred Shares provided that after such conversion the common shares issuable, together with all the Sphere 3D common shares beneficially owned by the shareholder, in the aggregate, would not exceed 9.99% of the total number of outstanding Sphere 3D common shares.
- The holders of Series H Preferred Shares are not entitled to receive dividends and are not entitled to voting rights, except as required by law.

Advance Notice Requirements for Shareholder Proposals and Director Nominations

The Company's by-laws provide that shareholders seeking to nominate candidates for election as directors at a meeting of shareholders must provide the Company with timely written notice of their proposal. The Company's by-laws also specify requirements as to the form and content of a shareholder's notice. These provisions may preclude shareholder's from making nominations for directors at an annual meeting of shareholders.

Indemnification of Our Executive Officers and Directors

In accordance with the by-laws of the Company, directors and officers are each indemnified by the Company against all liability and costs arising out of any action or suit against them from the execution of their duties, provided that they have carried out their duties honestly and in good faith with a view to the best interests of the Company and have otherwise complied with the provisions of applicable corporate law.

Subsidiaries of the Company

Name of subsidiary	Jurisdiction of Incorporation or Organization
Sphere 3D Inc.	Ontario, Canada
Sphere 3D Mining Corp.	Delaware, United States
S3D Acquisition Corp.	British Columbia, Canada
101250 Investments Ltd.	Turks and Caicos Islands

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-3 (File No. 333-269663, 333-271989, 333-283932, and 333-291698); Form F-1 (File No. 333-254742); Forms F-3 (File Nos. 333-206357, 333-259277, and 333-259092) and Forms S-8 (File Nos. 333-203149, 333-203151, 333-205236, 333-209251, 333-214605, 333-216209, 333-220152, 333-222771, 333-228380, 333-231472, 333-238145, 333-252632, 333-262154, 333-269298, 333-276395, 333-279866, 333-284524, 333-288321, and 333-292766) of our report dated March 27, 2026 with respect to the audited consolidated financial statements of Sphere 3D Corp. (the “Company”) appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2025. Our report contains an explanatory paragraph regarding the Company’s ability to continue as a going concern.

/s/ MaloneBailey, LLP

www.malonebailey.com

Houston, Texas

March 27, 2026

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kurt L. Kalbfleisch, Chief Executive Officer of Sphere 3D Corp. certify that:

1. I have reviewed this annual report on Form 10-K of Sphere 3D Corp.;
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: March 27, 2026

/s/ Kurt L. Kalbfleisch

Kurt L. Kalbfleisch
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tiah Reppas, Chief Accounting Officer of Sphere 3D Corp. certify that:

1. I have reviewed this annual report on Form 10-K of Sphere 3D Corp.;
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: March 27, 2026

/s/ Tiah Reppas

Tiah Reppas

Chief Accounting Officer

**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 filing of the Annual Report of Sphere 3D Corp. (the “Registrant”) on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kurt L. Kalbfleisch, Chief Executive Officer of the Registrant, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: March 27, 2026

/s/ Kurt L. Kalbfleisch

Kurt L. Kalbfleisch

Chief Executive Officer

**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 filing of the Annual Report of Sphere 3D Corp. (the “Registrant”) on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Tiah Reppas, Chief Accounting Officer of the Registrant, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: March 27, 2026

/s/ Tiah Reppas

Tiah Reppas

Chief Accounting Officer

APPENDIX "H"
INFORMATION CONCERNING THE COMBINED
COMPANY FOLLOWING THE ARRANGEMENT

NOTICE TO READER

Unless the context indicates otherwise, capitalized terms which are used in this Appendix "H" and not otherwise defined in this Appendix "H" have the meanings given to such terms under the heading "*Glossary of Terms*" or elsewhere in this Information Circular.

The following information is presented on a post-Transaction basis and reflects the business, financial and share capital position of Sphere assuming the completion of the Arrangement. See "*Cautionary Note Regarding Forward-Looking Information*" in this Information Circular in respect of forward-looking statements that are included in this Appendix "H".

Corporate Structure

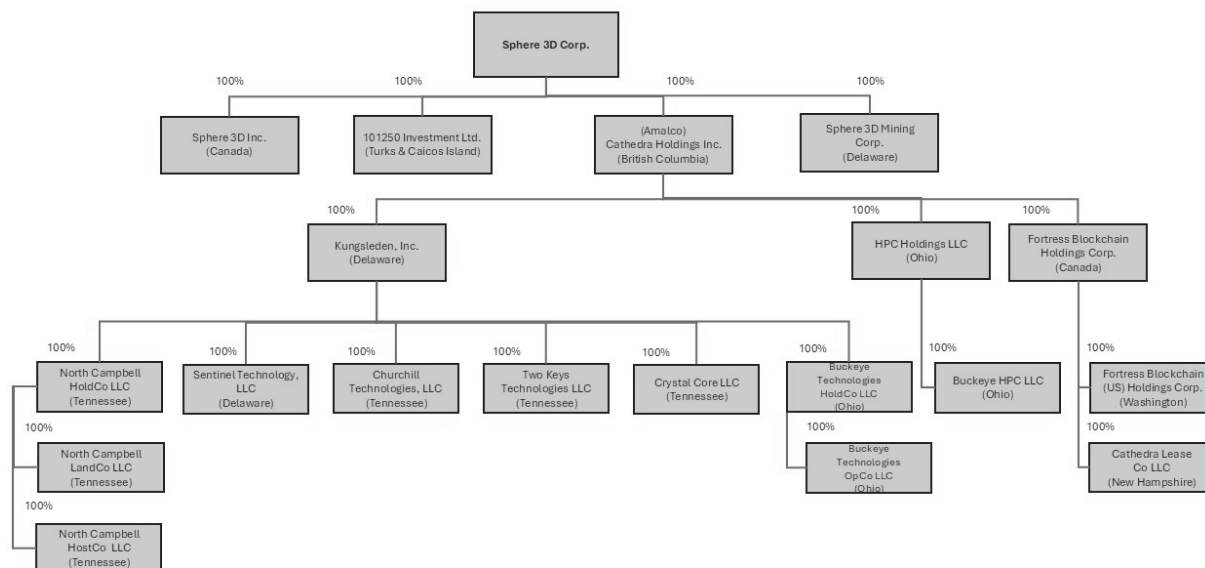
General

On completion of the Arrangement, the Combined Company will continue the current operations of Cathedra and Sphere. The Combined Company's registered office and head office will be located at 243 Tresser Blvd, 17th Floor, Stamford, Connecticut, 06901, United States of America.

After the Effective Time, Sphere will own all of the outstanding Cathedra Shares. As a result, at the Effective Time, Sphere will indirectly own all of the property and assets of Cathedra. For further information, see the discussion in this Information Circular under "*The Arrangement*".

Intercorporate Relationships

The following diagram sets forth the expected corporate structure of the Combined Company following the completion of the Arrangement:



Description of the Business of Combined Company

Except as otherwise described in this Appendix, the business of the Combined Company following the completion of the Arrangement will be that of Sphere and Cathedra generally and as disclosed elsewhere in this Information Circular. Specifically, the Combined Company is expected to be a mining and data center and hosting company. The Combined Company's principal business will be hosting and mining for cryptocurrency - it will continue to pursue the business of Sphere as described under "*Information Concerning Sphere*" in Appendix "F" to this Information Circular and the business of Cathedra as described under "*Information Concerning Cathedra*" in the body of the Information Circular. This section is intended to supplement the information provided in such sections by providing additional information respecting the Combined Company following completion of the Transaction.

The Combined Company will position itself as a next-generation provider of high-density computing power infrastructure. Its core operations will center on high-performance compute (with potential expansion into AI and HPC services), digital assets (primarily bitcoin mining), energy optimization, and the development of power and related infrastructure. Operationally, the Combined Company is expected to manage approximately 53 MW of bitcoin mining sites across data centers in Tennessee, Kentucky, and Iowa. It plans to pursue significant growth by scaling capacity by an additional ~100 MW and diversifying beyond bitcoin mining into broader high-density computing applications. By integrating Sphere's bitcoin mining fleet and U.S. capital markets strengths with Cathedra's expertise in energy assets, power development, and infrastructure, the Combined Company will seek to build a vertically integrated platform that boosts operational efficiency, unlocks synergies, and supports expansion in digital assets as well as emerging compute-intensive sectors like AI.

The following information is presented on a post-Transaction basis and is reflective of the business and financial position of the Combined Company, after giving effect to the Transaction. This section only includes information respecting the Combined Company after the Transaction that is materially different from information provided earlier in this Information Circular under "*Information Concerning Sphere*" and "*Information Concerning Cathedra*".

Dividends and Distributions

Sphere has not declared, and the Combined Company does not intend to declare on a post-Arrangement basis, cash dividends or distributions on its securities. Payment of dividends is within the discretion of the board of directors of the Combined Company and will depend on the Combined Company's future earnings, if any, its capital requirement and financial condition, and other relevant factors.

Description of Securities

Other than as set out below, the authorized share capital of the Combined Company following completion of the Arrangement will continue to be as described in Appendix "F" – *Information Concerning Sphere* attached to this Information Circular and the rights and restrictions of the Sphere Common Shares and the Sphere Series H Shares will remain unchanged.

Immediately prior to Closing, Sphere will create a new class of series I preferred shares (the "**Sphere Series I Shares**") having the special rights and restrictions summarized below, which summary is qualified in its entirety by the full text of the special rights and restrictions attaching to the Sphere Series I Shares as set out in Appendix III to Appendix A of the Plan of Arrangement. Notwithstanding the foregoing, such special rights and restrictions are subject to amendment, modification or supplement, with the approval of the board of directors of Sphere, as may be determined necessary or advisable by Sphere (including as may be advised by counsel or required for regulatory, legal or compliance purposes).

Series I Preferred Shares

The Series I Preferred Shares are a series of preferred shares of Sphere authorized in unlimited number. The principal rights, privileges, restrictions and conditions attaching to the Series I Preferred Shares include the following:

Dividends

Holders are entitled to receive dividends for the first 36 months following the initial issuance date at a rate of 8% per annum, payable annually in additional Series I Preferred Shares (payment-in-kind) ("**PIK Shares**"). No dividends are payable after the third anniversary of issuance.

Conversion

Each Series I Preferred Share is convertible into one Sphere Common Share (subject to customary anti-dilution adjustments). Conversion may occur in stages as follows:

- up to 33⅓% of the originally issued Series I Preferred Shares after 12 months,
- up to 66⅔% after 24 months, and
- 100% after 36 months from the initial issuance date.

Series I Preferred Shares issued as dividends (PIK Shares) may only be converted after the 36-month anniversary following issuance. Certain acceleration rights apply if Sphere's Chief Executive Officer is terminated without cause, resigns for good reason, enters into a separation agreement, or is not nominated for election as a director, in which case all Series I Preferred Shares (including PIK Shares) become immediately convertible. Conversion is also subject to limits intended to ensure compliance with applicable stock exchange rules regarding shareholder approval thresholds.

Voting Rights

Series I Preferred Shares do not carry voting rights, except as required by law or with respect to matters affecting the rights of the Series I Preferred Shares. Holders are entitled to receive notice of and attend shareholder meetings in a non-voting capacity.

Liquidation Preference

In the event of an ordinary liquidation, dissolution or winding-up, holders are entitled to receive an amount per share equal to the greater of (i) the closing trading price of the Sphere Common Shares immediately prior to the event and (ii) the amount the holder would have been entitled to receive had they converted their Series I Preferred Shares into Common Shares immediately prior thereto in priority to any distribution to holders of Sphere Common Shares or other junior securities.

In the event of a liquidation, dissolution, or winding-up in connection with certain change of control fundamental transactions, holders are entitled to receive their portion of the consideration in such liquidation, dissolution, or winding-up pro rata with other holders of Sphere Common Shares as if the holders had converted to Sphere Common Shares immediately prior thereto.

Ranking

The Series I Preferred Shares rank:

- junior to Sphere's Series H Preferred Shares, and
- senior to the Sphere Common Shares with respect to dividends and distributions upon liquidation.

Protective Provisions

For a period of 36 months following issuance, certain actions (including certain returns of capital on junior or parity securities) require approval of holders of a majority of the outstanding Series I Preferred Shares.

Amendments

The rights of the Series I Preferred Shares may be amended with the approval of the holders of a majority of the outstanding Series I Preferred Shares, subject to applicable law.

Principal Securityholders

To the knowledge of the directors and executive officers of the Combined Company, as of the date of this Information Circular, no person will beneficially own, or control or direct, directly or indirectly, voting securities of Sphere carrying 10% or more of the voting rights attached to the Sphere Shares following completion of the Arrangement.

See "Description of Securities" in "Appendix "F" – Information Concerning Sphere" attached to this Information Circular.

Pro Forma Consolidated Capitalization

The following sets out the *pro forma* share capital of the Combined Company after giving effect to the Arrangement on a non-diluted basis as of April 2, 2026:

Designation of Security	Number of Sphere Common Shares in issue
Sphere Common Shares	6,472,318

Description	Number of Sphere Common Shares	Percentage of Total Post-Arrangement Sphere Common Shares (fully diluted)
Pre-Arrangement Sphere Common Shares	3,787,086	37.80%
Sphere Common Shares issued upon the Sphere RSUs accelerated at Closing	435,184	4.34%
Sphere Common Shares issued to Cathedra Securityholders pursuant to the Arrangement	2,250,048	22.46%
Sphere Common Shares issuable upon conversion of the Sphere Series I Shares issued to certain Cathedra Shareholders pursuant to the Arrangement	1,526,124	15.23%
Sphere Common Shares reserved for issuance upon conversion of the Sphere Series H Shares	2,300	0.02%
Sphere Common Shares reserved for issuance upon exercise of Sphere Options	137,711	1.37%
Sphere Common Shares reserved for issuance upon exercise of Sphere Warrants	1,484,217	14.81%
Sphere Common Shares reserved for issuance upon settlement of Sphere RSUs	396,705	3.96%
TOTAL	10,019,375	100%

Available Funds and Principal Purposes

Business Objectives

The Combined Company's principal business will continue to pursue the business of Cathedra and Sphere as described above in the "*Description of the Business of Combined Company*" section. Specifically, the Combined Company's business objectives will be to continue to build a leading technology-oriented Blockchain mining company committed to operating in low cost North American regions, achieve peak operational efficiency in industrial scale bitcoin mining, and deliver an industry leading competitive advantage in performance. To accomplish these objectives, the Combined Company intends to continue mining at its current sites and commence mining and hosting at the Cathedra sites acquired in connection with the Transaction. In addition, the Combined Company

expects to generate revenue by hosting mining equipment for third parties at the Combined Company's hosting facilities.

The above objectives may change at any time depending on market conditions. There is no certainty that any objectives described above will be completed as anticipated or at all. See "*Risk Factors*".

Milestones

To accomplish the foregoing business objectives, the Combined Company will target the following milestones:

1. *Continue managing and optimizing Sphere and Cathedra's existing bitcoin mining and hosting operations.*

As of the date hereof, Sphere's bitcoin mining operations currently produce approximately 835 PH/s of hashrate across 3 locations in 3 U.S. states. The Combined Company will continue to manage these machines through its relationships with third-party hosts and site-level contractors. Additionally, the Combined Company may make efforts to relocate its machines from existing third-party and leased data centers to data centers owned and operated by Cathedra, thereby improving profitability through access to Cathedra's lower wholesale power cost. Finally, if the Combined Company is unsuccessful in relocating some or all of its machines, the Combined Company will work to renew its hosting and lease agreements with existing partners or may explore alternative hosting arrangements that may prove to be economically beneficial. Cathedra currently owns and operates 53 MW of hosting capacity across three data centers in Kentucky and Tennessee. The Combined Company will continue to oversee these operations by promptly billing tenants for services rendered each month, providing ongoing machine and site maintenance services, and delivering utilities services to tenants' machines, including physical security, electricity, and internet connectivity.

2. *Evaluate additional expansion opportunities for the Combined Company's joint bitcoin mining and hosting operations.*

Over the next 12 months, the Combined Company intends to explore additional opportunities to expand its joint operations, including seeking, evaluating and, if warranted, executing opportunities to acquire new bitcoin mining machines directly from manufacturers and/or from existing Cathedra tenants, or developing new hosting data centers. The Combined Company will use its unallocated working capital, as described under the heading "*Information Concerning the Combined Company – Use of Funds*", to capitalize on any such opportunities to acquire additional mining machines and new hosting data centers. See also "*Risk Factors – Additional Financing*".

The above milestones may change at any time depending on market conditions and are subject to various risks associated with Closing, including the satisfaction of standard conditions for transactions of this nature and the entering into of definitive agreements, as applicable, on terms acceptable to the Combined Company, as well as financing risks. There is no certainty that the milestones will be completed on the terms anticipated or at all. See "*Risk Factors*".

Available Funds

As of the most recent month end prior to the date of this Information Circular, being April 30, 2026, the estimated available funds, and the expected expenses of the Transaction for each of Sphere and Cathedra is set forth below. In addition to its working capital as of April 30, 2026, the Combined Company is expected to generate approximately \$6,997,810 in operating gross profit (excluding depreciation) over the next 12 months, which would be available to fund operations. This estimate assumes the continued performance of existing contracts and the realization of gross operating profits at levels consistent with those achieved in 2025, with no material changes to current business conditions or contract terms. This estimate also assumes no additional forecasted growth or capital expenditures. Based on these amounts, the Combined Company is expected to have approximately \$8,657,560 in available funds after giving effect to the Transaction.

Item	Available Funds
Estimated Cathedra working capital as of April 30, 2026	\$(2,000,000)
Estimated Sphere working capital as of April 30, 2026	\$7,100,000
Estimated Operating Gross Profit	\$6,997,810
Estimated Transaction Expenses ⁽¹⁾	\$(3,440,250)
Estimated Use of Available Funds of Combined Company	\$8,657,560

Notes

- (1) Comprised of strategic advisor fees, legal fees, auditing fees, printing and mailing costs, depositary fees and regulatory fees.

Use of Funds

The following table sets out the principal purposes, using approximate amounts, for which the Combined Company currently intends to use the total available funds after giving effect to Transaction and for the 12 months thereafter.

Item	Budgeted Expenditures
General and administrative expenses for the 12-month period following Closing (1)	\$6,800,000
Unallocated working capital	\$1,857,560
Total	\$8,657,560

Notes:

- (1) General and administrative costs for the next 12 months are expected to be comprised of professional fees of \$1,500,000; stock exchange fees, filing fees and transfer agent costs of \$200,000; insurance expenses of \$750,000; office rents of \$100,000; travel expenses of \$100,000; marketing and shareholder communication costs of \$200,000; salaries and wages (including executive management fees) of \$2,800,000; and miscellaneous and other expenses of \$1,150,000.

Based on current projections the Combined Company's working capital and projected operating gross profit is expected to fund ongoing operations for a minimum period of 12 months commencing immediately after the completion of the Transaction. Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons a reallocation of funds may be necessary. For these reasons, management of the Combined Company considers it to be in the best interests of the Combined Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See "*Cautionary Note Regarding Forward-Looking Information*".

Directors and Executive Officers

On completion of the Arrangement, the board of directors of the Combined Company is expected to be comprised of five directors consisting of Timothy Hanley, Marcus Dent, Kurt Kalbfleisch, Nicholas Gates and Joel Block. The Combined Company will be managed by the following executive officers: Joel Block (Chief Executive Officer), Kurt Kalbfleisch (Chief Financial Officer) and Tiah Reppas (Chief Accounting Officer). The following table states such individuals' principal occupation for the last five years, prior position with Sphere or Cathedra, as applicable, and the number and percentage of Sphere Common Shares expected to be held on Closing.

Name, Municipality of Residence, Proposed Offices	Principal Occupation During Last Five Years	Prior Position with the Sphere or Cathedra and Term of Such Position	Number of Sphere Shares upon completion of the Transaction	Percentage of Class Held or Controlled on completion of the Transaction⁽²⁾
Joel Block, CEO and Director	CFO at US Bitcoin Corp. (2021 to 2024); Interim CFO at Ionic Digital Inc. (2023 to 2024); CEO at Collegewise (2017 to 2021)	CEO and Director (July 10, 2025) of Cathedra	184,737	2.86%
Kurt Kalbfleisch, CFO and Director	CEO since November 6, 2025 (Acting CEO from January 31, 2025 CFO and Secretary since December 1, 2014	CEO November 6, 2025 to present and CFO December 1, 2014 to present. of Sphere	223,870	3.47%
Tiah Reppas, Chief Accounting Officer	Chief Accounting Officer at Sphere 3D Corp. (December 2025 to present) Vice President of Finance and Accounting at Sphere 3D Corp. (April 2025 – December 2025) Contractor 2021- 2025	Chief Accounting Officer of Sphere December 17, 2025 to present	62,384	0.97%
Timothy Hanley, Director ⁽¹⁾⁽²⁾⁽³⁾	Acting Keyes Dean for the College of Business at Marquette University from March 2020 through June 2024.	Director of Sphere May 31, 2022 to present	32,601	0.51%
Marcus Dent, Director ⁽²⁾	Managing Partner at Ten31 (2021 to present); Director of Business Development at Great American mining LLC (2019 to 2021)	Director (September 2, 2021) of Cathedra	10,210	0.16%
Nicholas Gates, Director ⁽²⁾	Managing Director, Integrated Projects at Priority Power Management (Present)	N/A	6,556	0.10%
Total			520,358	8.06%

Notes:

- (1) Chairman of the Board.
- (2) Member of Audit Committee.
- (3) Chair of the Audit Committee.

Biographies***Joel Block, CEO and Director***

Mr. Block is a seasoned executive with more than 20 years of experience across finance, accounting, operations, and sales. From December 2021 to November 2023, he served as the Chief Financial Officer of US Bitcoin Corp.; prior to this role, from September 2021 to November 2021, he served as US Bitcoin Corp.'s Chief Business Officer. US Bitcoin Corp. merged with Hut 8 Corp. on November 30, 2023. Prior to US Bitcoin Corp., from February 2015 to August 2021 he served as CFO, and then CEO, of Collegewise, one of the US's largest college admissions companies. From 2005 to 2013, Mr. Block served in a number of roles at Credit Suisse, including as a Vice President on the Institutional Fixed Income Sales team, where he specialized in interest rate derivatives and hedging transactions. Mr. Block has served on the board of the Young Presidents Organization Orange County Chapter. He received his Bachelor of Business Administration with concentrations in Finance and Accounting and a minor in Statistics from the University of Michigan Ross School of Business.

Marcus Dent, Director

Mr. Dent is the founder of TFTC.io, a media company focused on Bitcoin and Freedom in the Digital Age. He is also a Managing Partner at Ten31, a bitcoin-focused venture capital firm. Previously, Mr. Dent served as Director of Business Development at Great American mining from 2019 to 2021.

Nicholas Gates, Director

Mr. Gates is Managing Director, Integrated Projects at Priority Power Management, a Texas-based firm focused on powered land development, energy solutions, procurement, infrastructure, and optimization for data centers and other large scale industrial users of power. He leads project development, growth initiatives, partnerships, and energy services for large scale power consuming clients. Based in Houston, he actively contributes to industry panels on data center challenges, Texas power infrastructure, grid stability, and energy supply chains.

See disclosure under the heading “*Directors and Executive Officers*” of Appendix “F” – *Information Concerning Sphere* attached to this Information Circular for the biographies of Kurt Kalbfleisch, Tiah Reppas and Timothy Hanley.

Management Agreements

Management functions of the Combined Company will substantially be performed by directors and senior officers of the Combined Company. No individual director or senior officer of the Combined Company will act through an external management company. Set forth below is a summary of the contracts expected to be in place between the Combined Company and its executive officers following Closing.

Joel Block Employment Agreement

Joel Block is expected to enter into an employment agreement with Sphere in connection with the Arrangement, pursuant to which he will serve as Chief Executive Officer of the Combined Company.

The agreement is expected to provide for an annual base salary of US\$425,000 and eligibility to receive an annual performance-based bonus with a target of 125% of base salary.

In the event of termination without cause or resignation for good reason, Mr. Block is expected to be entitled to severance consisting of 18 months of base salary and target bonus, subject to customary conditions, including the execution of a release.

The agreement is expected to include customary terms and conditions for an executive officer of a public company, including confidentiality, non-solicitation and other restrictive covenants.

Kurt Kalbfleisch Employment Agreement

Kurt Kalbfleisch is expected to continue as Chief Financial Officer of the Combined Company following completion of the Arrangement. Mr. Kalbfleisch is party to an amended and restated employment agreement with Sphere dated November 10, 2025, as amended on March 5, 2026.

Under the employment agreement, as amended, Mr. Kalbfleisch's annual base salary will be reduced to US\$330,000 as of closing of the Arrangement, and he will be eligible to receive a discretionary annual bonus with a target of 90% of base salary for 2026 and subsequent years, based on corporate and individual performance. He is also eligible to participate in Sphere's equity incentive programs and benefit plans, including health benefits and reimbursement of certain insurance-related expenses. The amendment provides that Mr. Kalbfleisch will be entitled to (i) a cash bonus of US\$300,000 upon completion of the Arrangement, provided he remains employed at that time, and (ii) an additional cash bonus of up to US\$1,095,000, subject to the achievement of specified performance milestones.

The agreement is terminable at will. In the event of termination by Sphere without cause or by Mr. Kalbfleisch for good reason, he is entitled to severance consisting of (i) continuation of base salary and 75% of target bonus for 18 months, (ii) continuation of health and related benefits for up to 18 months, (iii) immediate vesting of outstanding equity awards, and (iv) a prorated bonus, in each case subject to execution of a release.

The amendment will be of no further force or effect if the Arrangement is not completed. The agreement also includes customary confidentiality, non-solicitation and cooperation covenants.

Tiah Reppas Employment Agreement

Tiah Reppas is expected to continue as Chief Accounting Officer of the Combined Company following completion of the Arrangement. Ms. Reppas is party to an employment agreement with Sphere dated December 17, 2025.

Under the agreement, Ms. Reppas is entitled to an annual base salary of US\$280,000 and is eligible to receive a discretionary annual bonus with a target of 60% of base salary, based on corporate and individual performance. She is also eligible to receive a one-time transaction bonus of US\$75,000 in connection with certain qualifying corporate transactions. In addition, Ms. Reppas participates in Sphere's equity incentive plans, including an initial grant of 50,000 RSUs that vest over time, and is entitled to customary employee benefits, including health coverage and expense reimbursements.

The agreement is terminable at will. In the event of termination by Sphere without cause or by Ms. Reppas for good reason, she is entitled to severance consisting of (i) continuation of base salary plus 25% of target bonus for six months, (ii) continuation of health and related benefits (or reimbursement thereof) for up to six months, (iii) accelerated vesting of certain equity awards, and (iv) a prorated bonus. Severance is subject to execution of a release.

The agreement also includes customary confidentiality, non-solicitation and cooperation covenants.

Executive Compensation

Following the completion of the Arrangement, it is expected that the Combined Company will maintain the policies of Sphere with respect to executive compensation. See "*Executive Compensation*" in Appendix "F" of this Information Circular.

Audit Committee and Corporate Governance

It is expected that the audit committee of the Combined Company following the completion of the Arrangement will be comprised of Marcus Dent, Nicholas Gates, and Timothy Hanley (Chair).

In addition, it is expected that the Combined Company will maintain the corporate governance policies of Sphere. See "*Information Concerning Sphere – Audit Committee and Corporate Governance*" in Appendix "F" to this Information Circular.

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

Set forth below is a summary of the securities of Sphere that will be subject to escrow or contractual restrictions on transfer upon Closing the Transaction:

Class of Securities⁽¹⁾	Number of Securities held in Escrow	Percentage of Class
Sphere Common Shares	1,131,307	18.36%
Sphere Options	162	0.11%
Sphere RSUs	8,673	2.01%

Notes:

- (1) These securities are subject to escrow pursuant to the TSXV Form 5D Tier 2 Value Security Escrow Agreement entered into between certain shareholders of Cathedra and Computershare on the closing of the Kungsleden RTO Transaction. 1/3rd of such securities will be released on July 23, 2026, 1/3rd of such securities will be released on January 23, 2027 and the remaining 1/3rd of such securities will be released on July 23, 2027.

Material Contracts

See disclosure under the heading "*Material Contracts*" of Appendix "F" – *Information Concerning Sphere* attached to this Information Circular for disclosure regarding Sphere's material contracts, which will continue as material contracts of the Combined Company following the Closing.

Risk Factors

Following completion of the Arrangement, the risk factors applicable to the Combined Company will be substantially the same as those currently applicable to Sphere, together with the following additional risk factors applicable to Cathedra and the Combined Company. See "*Risk Factors*" in this Information Circular and Appendix "F" of this Information Circular for a summary of the risk factors applicable to Sphere.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Combined Company's securities will be established or sustained. The market price for the Combined Company's securities could be subject to wide fluctuations and the Combined Company cannot predict the prices at which the Sphere Shares will trade. If an active public market for the Sphere Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price

may decline. Factors such as announcements of quarterly variations in operating results, macroeconomic changes, fluctuations in cryptocurrency prices, changes in energy costs and general market conditions in the digital asset and high-performance computing industries, may have a significant adverse impact on the market price of the securities of the Combined Company.

The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies. In recent years, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Sphere Shares will be subject to market trends generally, notwithstanding any potential success of the Combined Company in creating revenues, cash flows or earnings. The value of the Sphere Shares will be affected by such volatility.

Conflicts of Interest

Certain of the directors and/or officers of the Combined Company may be engaged in a range of business activities, including certain officers, directors and consultants that provide services to other companies involved in digital assets, bitcoin mining, or high-performance computing, and may also serve as directors and/or officers of other companies. The Combined Company's executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Combined Company.

In some cases, the Combined Company's executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Combined Company's business and affairs and that could adversely affect the Combined Company's operations. These business interests could require significant time and attention of the Combined Company's executive officers, directors and consultants. In addition, the Combined Company may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which the Combined Company may be dealing, or which may be seeking investments similar to those desired by it. Consequently, the interests of these persons could conflict with those of the Combined Company. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws, and any decision made by any of such directors and officers involving the Combined Company are subject to their duties and obligations to act honestly, in good faith and in the best interests of the Combined Company.

Additional Financing

The Combined Company may require additional equity and/or debt financing in the future, and no assurance can be given that such capital will be available on terms commercially acceptable to the Combined Company or at all. Accordingly, depending on its ability to achieve the goals set out in its business plan, including scaling capacity by an additional approximately 100 MW and diversifying into broader high-density computing applications, the Combined Company may need to raise further equity and/or debt financing to fund its operations and execute on its business plan.

The Combined Company's inability to raise financing to support ongoing operations or acquisitions could limit its growth, result in the delay or indefinite postponement of current business objectives and may have a material adverse effect upon future profitability. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of the Combined Company's shareholders. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Combined Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. If the Combined Company requires

additional financing and is unable to obtain it, there may be a possibility that it will not be able to fund its operations and execute on its business plan, which would have a materially adverse effect on its business, operating results and financial condition.

Global Financial Conditions

The global economy, including credit and financial markets, has experienced extreme volatility and disruptions recently, including, among other things, diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, supply chain shortages, increases in inflation rates, higher interest rates, and uncertainty about economic stability. Any such volatility and disruptions may adversely affect the business of the Combined Company or the third parties on which its business will rely. If the equity and credit markets deteriorate, including as a result of political unrest or war, it may make any necessary debt or equity financings conducted by the Combined Company more difficult to complete, more costly, and more dilutive.

Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on the growth strategy, financial performance and share price of the Combined Company and could require the Combined Company to delay, scale back or abandon its development and expansion plans. Events in the global financial markets in the past several years have had a profound and lasting impact on the global economy. Some of the key effects of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity and foreign exchange, and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Combined Company's operations. Specifically, a global credit/liquidity crisis and inflation and interest rate hikes could impact the cost and availability of financing and overall liquidity. Energy costs and currency exchange rates could impact costs, and the devaluation and volatility of global stock markets could impact the valuation of the Combined Company's equity and other securities. These factors could have a material adverse effect on the Combined Company's financial condition and results of operations.

History of Losses and Negative Operating Cash Flows

Cathedra has a history of losses, and Sphere has experienced losses as well. The Combined Company will incur further expenses in the establishment and growth of its combined business. Although the Combined Company intends to generate profit and positive operating cash flows in the future, there are no guarantees that it will be able to do so. The success of the Combined Company will ultimately depend on its ability to compete in a highly competitive and rapidly evolving digital asset and high-performance computing market.

Management of Growth

The growth of the Combined Company's operations will place significant demands on managerial, financial and human resources. The Combined Company's ability to continue its rate of growth will depend on a number of factors, including the availability of capital, existing and emerging competition and the ability to recruit and train additional qualified personnel. Moreover, as the Combined Company's business grows, including through the planned expansion of approximately 100 MW of additional capacity and diversification beyond bitcoin mining, the Combined Company will need to devote additional resources to improve its operational infrastructure and to maintain the performance of its business.

Risks Associated with Acquisitions

The Combined Company may acquire additional businesses. Acquisitions involve a number of known and unknown risks, including diversion of management's attention, failure to retain key acquired personnel, legal liabilities, risk associated with the realization of synergies and overall integration of the Combined Company's operations with the acquired business and unanticipated events or circumstances, some or all of which could have a material adverse effect on the business, results of operations and financial condition of the Combined Company. In addition, there

can be no assurance that the Combined Company can complete any acquisition it pursues on favorable terms, that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the business. An acquisition could also result in a potentially dilutive issuance of equity securities. The failure of the Combined Company to successfully manage its strategy of growth through acquisitions could have a material adverse effect on the Combined Company's business, results of operations and financial condition.

Litigation

The Combined Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause the Combined Company to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant, and the Combined Company could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. Substantial litigation costs, even if the Combined Company wins, or an adverse result in any litigation may adversely affect the Combined Company's ability to continue operating and the market price for the Sphere Shares and could use significant resources.

Environmental Laws and Employee Health and Safety Regulations

The Combined Company's operations, including its data centers in Tennessee, Kentucky and Iowa, are subject to environmental and safety laws and regulations concerning, among other things, employee health and safety and energy consumption. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on the Combined Company's operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Combined Company's operations or give rise to material liabilities, which could have a material adverse effect on the Combined Company's business, results of operations and financial condition.

Competition

The digital asset infrastructure and bitcoin mining industry is highly competitive. Many of the Combined Company's competitors for the acquisition, development and operation of digital infrastructure assets, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the Combined Company. The Combined Company will also face competition from other companies seeking to expand into high-performance compute, AI and HPC services, which may have more established platforms and greater resources.

Volatility of Bitcoin and Digital Asset Prices

The market price of bitcoin and other digital assets is volatile and is affected by numerous factors that are beyond the Combined Company's control. These include international supply and demand, the level of consumer and institutional demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events, the regulatory environment for digital assets, the adoption rate of cryptocurrencies, and a range of other market forces. Sustained downward movements in bitcoin prices could render less economic, or uneconomic, some or all of the bitcoin mining and hosting activities to be undertaken by the Combined Company. As the Combined Company's strategy involves maximizing per-share bitcoin holdings, adverse movements in bitcoin prices could have a material adverse effect on the Combined Company's financial condition, results of operations and the value of the Sphere Shares.

Permits and Licenses

The activities of the Combined Company are subject to government approvals, various laws governing the development and operation of data centers, energy usage, labour standards, occupational health and safety, and other matters. Although the Combined Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail operations. Amendments to current laws and regulations governing operations and activities of the Combined Company, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Combined Company. Further, the permits issued in respect of its data center and mining operations may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Combined Company's investments in such operations may decline.

Climate Change

Governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, the Combined Company expects that this may result in increased costs at some of its data center and mining operations. In addition, the physical risks of climate change may also have an adverse effect on some of the Combined Company's operations, including through extreme weather events that have the potential to disrupt operations and supply lines, as well as resource shortages that could affect the regular supply of consumables and energy needed to operate the Combined Company's data centers efficiently. There is no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on the Combined Company's operations and their profitability.

Infrastructure

Digital asset mining and data center operations are dependent on the availability of reliable power supply, internet connectivity, specialized equipment and related infrastructure in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment and may delay the Combined Company's activities. Certain equipment, including bitcoin mining machines, may not be immediately available or may require long lead time orders. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay expansion or operations at the Combined Company's data centers. Reliable roads, bridges, power sources and internet connectivity are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Combined Company's operations.

Evolving Business Model

As cryptocurrency assets and blockchain technologies become more widely available, the Combined Company expects the services and products associated with them to evolve. In order to stay current with the industry, the Combined Company's business model may need to evolve as well. From time to time, the Combined Company may modify aspects of its business model relating to its strategy. The Combined Company cannot offer any assurance that these or any other modifications will be successful or will not result in harm to its business. The Combined Company may not be able to manage growth effectively, which could damage its reputation, limit its growth and negatively affect its operating results. Furthermore, the Combined Company cannot provide any assurance that it will successfully identify all emerging trends and growth opportunities in this business sector, and it may lose out on those opportunities. Such circumstances could have a material adverse effect on the Combined Company's business, prospects, or operations.

Facility Development Risk

The continued development of existing and planned facilities is subject to various factors and may be delayed or adversely affected by such factors beyond the Combined Company's control, including delays in the delivery or installation of equipment by suppliers, difficulties in integrating new equipment into existing infrastructure, shortages in materials or labour, defects in design or construction, diversion of management resources, insufficient funding, or other resource constraints. Actual costs for development may exceed the Combined Company's planned budget. Delays, cost overruns, changes in market circumstances and other factors may result in different outcomes than those intended.

Risks of Expansion Efforts

The Combined Company may consider the acquisition or lease of additional properties and the construction of new facilities beyond those projects already announced, including the planned expansion of approximately 100 MW of additional capacity and diversification into broader high-density computing applications. The Combined Company will be required to commit substantial operational and financial resources to these new facilities in advance of securing customer contracts, and the Combined Company may not have sufficient customer demand in those markets to support these facilities once they are built. In addition, unanticipated technological changes could affect customer requirements for the Combined Company's facilities, and the Combined Company may not have built such requirements into its facilities. Either of these contingencies, if they were to occur, could make it difficult for the Combined Company to realize expected or reasonable returns on these investments.

Failure of Physical Infrastructure

The Combined Company's business depends on providing customers with highly reliable solutions. The Combined Company must safeguard its customers' infrastructure and equipment located at its facilities and ensure business operations remain operational at all times. If the Combined Company does not maintain its facilities, it may be unable to continue providing services to its customers. Furthermore, the Combined Company may have service level commitment obligations to certain customers. As a result, service interruptions or significant equipment damage at any of the Combined Company's facilities could result in difficulty maintaining service level commitments and potential claims related to such failures. Because the Combined Company's facilities are critical to many of its customers' businesses, service interruptions or significant equipment damage could also result in lost profits or other indirect or consequential damages to its customers. Any loss of service, equipment damage or inability to meet service level commitment obligations could reduce the confidence of the Combined Company's customers and could consequently impair its ability to obtain and retain customers, which would adversely affect both its ability to generate revenues and its results of operations.

Reliance on Manufacturing in Foreign Countries

The Combined Company expects to rely on third party manufacturers in foreign jurisdictions for its rigs and hosting equipment. As a result, the Combined Company's business will be subject to risks associated with doing business in such foreign jurisdictions, including, but not limited to: trade protection measures such as the imposition of or increase in tariffs, import and export licensing and control requirements; potentially negative consequences from changes in tax laws (both foreign and domestic); difficulties associated with transacting business with parties in a foreign jurisdiction, including increased costs and uncertainties associated with enforcing contractual obligations; and unexpected or unfavorable changes in other regulations and applicable regulatory requirements.

Third-Party Risk

The Combined Company relies on services and software developed and maintained by third-party vendors. The Combined Company also expects that it may incorporate software from third-party vendors and open-source software. The Combined Company's business may be disrupted if this software, or functional equivalents of this software, were either no longer available to the Combined Company or no longer offered to it on commercially

reasonable terms. In either instance, the Combined Company would be required to redesign services to function with alternate third-party software or open-source software.

Bitcoin Halving Events

The bitcoin reward for solving a block is subject to periodic incremental halving. Halving is a process designed to control the overall supply and reduce the risk of inflation in bitcoin using a proof of work consensus algorithm. At a predetermined block, the mining reward is cut in half. Most recently, in April 2024, the block reward decreased from 6.25 to 3.125 bitcoin per block and, consequently, the number of new bitcoin issued to cryptocurrency miners as a subsidy decreased to approximately 450 per day, excluding transaction fees. Previous halving events have had significant negative impacts on profitability for several months following the halving. While bitcoin prices have had a history of price fluctuations around bitcoin halving events, there is no guarantee that the price change will be favorable or would compensate for the reduction in mining reward and the corresponding decrease in the compensation the Combined Company receives from mining. A bitcoin halving is scheduled to occur once every 210,000 blocks, or roughly every four years, until the total amount of bitcoin rewards issued reaches 21 million. The next halving is expected to occur in 2028.

Bitcoin Network Risks

The open-source structure of the bitcoin network protocol means that the core developers of the bitcoin network and other contributors are generally not directly compensated for their contributions in maintaining and developing the bitcoin network protocol. A failure to properly monitor and upgrade the network protocol could damage the bitcoin network. The core developers of the bitcoin network can propose amendments to the bitcoin network's source code through software upgrades that alter the protocols and software of the bitcoin network and the properties of bitcoin, including the irreversibility of transactions and limitations on the mining of new bitcoin. The acceptance of the bitcoin network software patches or upgrades by a significant, but not overwhelming, percentage of the users and miners in the network could result in a "fork" in the blockchain underlying the bitcoin network, resulting in the operation of two separate networks. A fork in a cryptocurrency could adversely affect the Combined Company's business because the Combined Company may not be able to realize the economic benefit of a fork, either immediately or ever. Additionally, laws, regulations or other factors may prevent the Combined Company from benefiting from the new asset created by a fork.

Cryptocurrency Industry Risks

The further development and acceptance of the cryptocurrency industry is subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of cryptocurrency may adversely affect an investment in the Combined Company. The factors that affect the further development of the cryptocurrency industry include: (i) continued worldwide growth in the adoption and use of cryptocurrency; (ii) government and quasi-government regulation of cryptocurrency and their use, or restrictions on or regulation of access to and operation of cryptocurrency systems; (iii) changes in customer demographics and public tastes and preferences; (iv) the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; (v) the wide-spread adoption of cryptocurrency to hedge against economic instability and inflation; and (vi) general economic conditions and the regulatory environment relating to cryptocurrency decline in the popularity or acceptance of cryptocurrency would harm the business and affairs of the Combined Company. Currently, there is relatively little use of bitcoin in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect the Combined Company's operations, investment strategies, and profitability.

Impact of Geopolitical Events

Crises may motivate large-scale purchases of cryptocurrencies which could increase the price of cryptocurrencies rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior wanes, adversely affecting the value of the Combined Company's cryptocurrency inventory. As an alternative to fiat

currencies that are backed by central governments, cryptocurrencies, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Political or economic crises may motivate large-scale acquisitions or sales of cryptocurrencies either globally or locally. Large-scale sales of cryptocurrencies would result in a reduction in their market prices and adversely affect the Combined Company's operations and profitability.

Irreversibility of Cryptocurrency Transactions

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred tokens may be irretrievable. As a result, any incorrectly executed or fraudulent token transactions could adversely affect the Combined Company's investments. Token transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of a token or a theft of token generally will not be reversible and the Combined Company may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft, fraud or criminal action, the Combined Company's tokens could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts. At this time, there is no specifically enumerated U.S. or foreign governmental, regulatory, investigative or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen cryptocurrency.

Cryptocurrency Exchanges and Trading Venues

Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure. To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. A number of bitcoin exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed bitcoin exchanges were not compensated or made whole for the partial or complete losses of their account balances. The Combined Company has been directly and indirectly impacted by certain bankruptcies in the cryptocurrency space, and may in the future be directly or indirectly impacted by any future bankruptcies.

Mining Incentives

If the award of tokens for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. As the number of tokens awarded for solving a block in the blockchain decreases, the incentive for miners to continue to contribute processing power to the network will transition from a set reward to transaction fees. Either the requirement from miners of higher transaction fees in exchange for recording transactions in the blockchain or a software upgrade that automatically charges fees for all transactions may decrease demand for the relevant tokens and prevent the expansion of the network to retail merchants and commercial businesses, resulting in a reduction in the price of the relevant cryptocurrency that could adversely impact the Combined Company's cryptocurrency inventory and investments. A reduction in the processing power expended by miners could increase the likelihood of a malicious actor or botnet obtaining control in excess of 50 percent of the processing power active on the blockchain, potentially permitting such actor or botnet to manipulate the blockchain in a manner that adversely affects the Combined Company's mining activities.

Cash Flow Risk

The Combined Company may sell its coins to pay for expenses incurred, irrespective of then-current coin prices. Consequently, the Combined Company's coins may be sold at a time when the price is low, resulting in a negative

effect on its profitability. The Combined Company believes that the risk of this outcome is preferred over potentially greater risks of holding coin inventories and speculating in the price of coins.

Cybersecurity Threats and Malicious Actors

The Combined Company's cryptocurrency inventory may be exposed to cybersecurity threats and hacks. As with any other computer code, flaws in the cryptocurrency codes have been exposed by certain malicious actors. Several errors and defects have been found and corrected, including those that disabled some functionality for users and exposed users' information. Discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money occur from time to time. Hackers have been able to gain unauthorized access to digital wallets and cryptocurrency exchanges. If a malicious actor or botnet obtains a majority of the processing power dedicated to mining, it may be able to alter the blockchain on which cryptocurrency transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new cryptocurrency or transactions using such control. The malicious actor or botnet could double spend its own cryptocurrency and prevent the confirmation of other users' transactions for so long as it maintains control. Such changes could have a material and adverse effect on the Combined Company's operations. The computer networks operated by the Combined Company may further be vulnerable to intrusions by hackers who could interfere with and introduce defects to the mining operation. Despite defensive measures taken to protect, detect, respond, and recover from cyber threats, the Combined Company experiences cybersecurity threats and incidents from time to time, and it is possible that such defensive measures will be unsuccessful in mitigating a cybersecurity event. Our remediation costs and lost revenues could be significant if the Combined Company falls victim to a cyber-attack.

Loss, Theft or Restriction on Access to Cryptocurrency Holdings

There is a risk that some or all of the Combined Company's tokens could be lost or stolen. Access to the Combined Company's tokens could also be restricted by cybercrime (including, but not limited to, a denial of service attack) against a service at which the Combined Company maintains a hosted online wallet. Any of these events may adversely affect the operations of the Combined Company and, consequently, its crypto holdings, investments and profitability. The loss or destruction of a private key required to access the Combined Company's digital wallets may be irreversible. The Combined Company's loss of access to its private keys or its experience of a data loss relating to its digital wallets could adversely affect its crypto holdings and investments. Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held. To the extent such private keys are lost, destroyed or otherwise compromised, the Combined Company will be unable to access its tokens and such private keys will not be capable of being restored by the network. Any loss of private keys relating to digital wallets used to store the Combined Company's cryptocurrency could adversely affect its investments and profitability.

Risk of System Failure and Technological System Risk

The Combined Company's operations will be dependent on its ability, as well as the ability of third-party operators, to maintain its equipment in effective working order and to protect its systems against cybersecurity breaches, damage from fire, natural disaster, power loss, telecommunications failure or similar events. Defects in the security procedures may only be discovered after a failure in the Combined Company's mining operations or safekeeping and storage of its inventory of cryptocurrencies. Any damage, failure or delay that causes interruptions in the Combined Company's operations could have a material and adverse effect on the Combined Company's business. The success of the Combined Company is dependent on the accuracy, proper use and continuing development of its technological systems, including its business systems and operational platforms. The Combined Company's ability to effectively use the information generated by its information technology systems, as well as its success in implementing new systems and upgrades, may affect its ability to maximize the efficiency of its miners. As technological change occurs, the security threats to the Combined Company's bitcoin and mining systems will likely adapt and previously unknown threats may emerge.

Server Failures

There is a risk of serious malfunctions in servers or central processing units and/or their collapse. While malfunctions in central servers, or central processing units can only occur on a specific server farm or part of it or for short periods of time, such server crashes or failures may cause significant economic damage to the Combined Company.

Risk of Equipment Breakdown and Technological Obsolescence

The Combined Company owns mining rigs and it is possible that serious defects or deficiencies could arise in these machines, which would make it difficult or impossible for the Combined Company to meet its expected operational levels and could result in a material and adverse effect on its business. As the Combined Company's mining facility operates, its miners experience ordinary wear and tear, and may also face more significant malfunctions caused by a number of extraneous factors beyond its control. The physical degradation of its miners will require the Combined Company to, over time, replace those miners which are no longer functional. Additionally, as the technology evolves, the Combined Company may be required to acquire newer models of miners to remain competitive in the market. To remain competitive, the Combined Company will continue to invest in hardware and equipment required for maintaining its mining activities. Should competitors introduce new services/software embodying new technologies, the Combined Company's hardware and equipment and its underlying technology may become obsolete and require substantial capital to replace such equipment. The increase in interest and demand for cryptocurrencies has led to a shortage of mining hardware. Shortages of ASIC rigs or GPUs may lead to unnecessary downtime as the Combined Company searches for replacement equipment. The global supply chain for cryptocurrency miners is presently heavily dependent on China. Should disruptions to the China-based global supply chain for cryptocurrency hardware occur, the Combined Company may not be able to obtain adequate replacement parts for existing miners or to obtain additional miners from the manufacturer on a timely basis.

Dependence on Mining Equipment Suppliers

The Combined Company's business is dependent upon bitcoin mining equipment suppliers providing an adequate supply of new generation bitcoin mining machines at economical prices. The growth in the Combined Company's business is directly related to increased demand for hosting services and bitcoin which is dependent in large part on the availability of new generation mining machines offered for sale at a price conducive to profitable bitcoin mining, as well as the trading price of bitcoin. The market price and availability of new mining machines fluctuates with the price of cryptocurrency and can be volatile. In addition, as more companies seek to enter the mining industry, the demand for machines may outpace supply and create mining machine equipment shortages. Bitcoin mining machines rely on components and raw materials that may be subject to price fluctuations or shortages, including ASIC chips that have been subject to a significant shortage. The production of ASIC chips typically requires highly sophisticated silicon wafers, which currently only a small number of fabrication facilities, or wafer foundries, in the world are capable of producing. There is a risk that a manufacturer or seller of ASIC chips or other necessary mining equipment may adjust prices based on fluctuations in cryptocurrency prices or otherwise, and the cost of new machines could become unpredictable and extremely high.

Custody Risk

The Combined Company holds its digital currencies with third-party custodians. The Combined Company's custody strategy is designed to balance security and availability of its bitcoin. The Combined Company's custodial arrangements are governed by each custodian's terms of service. The accounts offered by the custodians of the Combined Company's bitcoin may not be insured by the Federal Deposit Insurance Corporation (FDIC). While the Combined Company continuously monitors its cash and bitcoin holdings with its third-party custodians and performs due diligence on its custodial providers, there can be no assurance that such custodians will not experience security breaches, bankruptcy or other failures that could result in the loss of some or all of the Combined Company's cryptocurrency holdings.

Access to Power and Electricity Rate Risks

The Combined Company's operations are dependent on its ability to maintain reliable and economical sources of power in order to run its cryptocurrency mining assets and its hosting operations. Any suspension of its power supply could result in a material and adverse effect on the Combined Company. The Combined Company's current and future operations, anticipated growth, and sustainability of electricity at economic prices for the purposes of cryptocurrency mining pose certain risks. There is no assurance that a particular electricity rate structure will remain in effect and the Combined Company's electricity suppliers are under no obligation to lock in rates for any period of time. Any further increases to the Combined Company's electricity costs at its various data center facilities may limit the profitability of its cryptocurrency mining operations and have a material and adverse effect on its profitability. Any interruption of electrical supply would also have a material and adverse effect on the Combined Company's business. Additionally, the Combined Company's operations could be materially adversely affected by prolonged power outages. Although hardware may be powered by backup generators on a temporary basis, it would not be feasible or cost-effective to run mining equipment on backup power generators for extended periods of time. Therefore, the Combined Company may have to reduce or cease its operations in the event of an extended power outage, or as a result of the unavailability or increased cost of electrical power.

Need for Significant Electrical Power

The Combined Company's operations require significant amounts of electrical power, and, as the Combined Company continues to expand its operations, it anticipates its demand for electrical power will continue to grow. The fluctuating price of electricity and the availability of low-cost electricity to power the Combined Company's expansion may inhibit its profitability. If the Combined Company is unable to obtain sufficient electrical power on a cost-effective basis, it may not realize the anticipated benefits of its significant capital investments and it may not be able to successfully implement its strategic growth plans. The Combined Company may be affected by price fluctuations in the wholesale and retail power markets. Market prices for power, generation capacity and ancillary services are unpredictable and may fluctuate substantially due to a variety of factors outside of the Combined Company's control, including increases and decreases in generation capacity, changes in power transmission or fuel transportation capacity constraints, volatile weather conditions, federal and state power, market and environmental regulation and legislation, and changes in capacity prices and capacity markets.

Data Centers May Experience Damage

The data centers and hosting facilities that the Combined Company has an interest in are subject to a variety of risks relating to physical condition and operation, including but not limited to: (a) the presence of construction or repair defects or other structural or building damage; (b) any non-compliance with or liabilities under applicable environmental, health or safety regulations or requirements or building permit requirements; (c) any damage resulting from natural disasters, such as hurricanes, ice storms, earthquakes, fires, floods, and windstorms; (d) theft, fraud; (e) citizen and neighbor opposition to bitcoin and the blockchain industry generally; and (f) claims by employees and others for injuries sustained at its properties. The Combined Company's data centers and hosting facilities could be rendered inoperable, temporarily or permanently, as a result of a fire or natural disaster. The security and other measures the Combined Company may take to protect against these risks may not be sufficient. Available insurance may cover the replacement cost of lost or damaged machines, but may not cover an interruption of the Combined Company's mining activities; therefore, the Combined Company's insurance, if any, may not be adequate to cover the losses it could suffer as a result of any of these events.

Regulatory Changes Affecting Cryptocurrency

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal while others have allowed their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Combined Company to continue to operate. The effect of any future regulatory change on the Combined Company or any cryptocurrency that the Combined Company may mine is impossible to predict, but such change could be

substantial and have a material adverse effect on the Combined Company. Governments may in the future curtail or outlaw the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may also take regulatory action that may increase the cost and/or subject cryptocurrency companies to additional regulation. Current and future legislation and SEC rule-making and other regulatory developments may impact the manner in which cryptocurrency is viewed or treated for classification and clearing purposes. In particular, cryptocurrency may not be excluded from the definition of "security" by SEC rule making or interpretation requiring registration of all transactions unless another exemption is available. Due to concerns around resource consumption and associated environmental concerns, various countries, states, and cities have implemented, or are considering implementing, moratoriums on bitcoin mining in their jurisdictions.

Banking Services

A number of companies that provide bitcoin and/or other cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to bitcoin and/or other cryptocurrency-related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide bitcoin and/or other cryptocurrency-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of cryptocurrencies as a payment system and harming public perception of cryptocurrencies or could decrease its usefulness and harm its public perception in the future. This could decrease the market prices of cryptocurrencies and adversely affect the value of the Combined Company's cryptocurrency inventory.

Reliance on Hosting Arrangements

The Combined Company relies on both owned mining facilities and hosting arrangements to conduct its business, and the availability and stability of these arrangements remain uncertain and highly competitive. Hosting arrangements, in particular, may be affected by changes in regulations across different countries, while owned facilities present additional risks, including operational challenges, infrastructure maintenance, and energy costs. Significant competition for suitable mining data centers is expected to persist, and government regulations—such as local permitting requirements—could further restrict the ability of both hosted and owned mining operations to begin or continue operating in certain locations. If the Combined Company is unable to successfully enter into definitive hosting agreements with mining data centers on favorable terms or those counterparties fail to perform their obligations under such agreements, the Combined Company may be forced to seek alternative mining data centers to host its mining equipment, which could have a material adverse effect on its business.

Downtime at Hosting Sites Due to Weather or Other Disruptions

The Combined Company faces risks of downtime at hosting sites due to excessive weather or heat, which could have an adverse effect on the mining of bitcoin and impact revenues. Generally, bitcoin and the Combined Company's business of mining bitcoin is dependent upon consistent operations at hosting sites. A significant disruption in a hosting site's ability to function due to adverse weather could disrupt mining operations until the disruption is resolved and have an adverse effect on the Combined Company's ability to mine bitcoin, impacting revenues.

Stock Exchange Listing

Following completion of the Arrangement, the Sphere Shares are expected to continue trading on the NASDAQ Capital Market under the symbol "ANY" and it is expected that the Cathedra Shares will be de-listed from the TSXV as soon as practicable following the Effective Date.

Auditor, Registrar and Transfer Agent

1. The auditor of the Combined Company is anticipated to be MaloneBailey, LLP with its office located at 10370 Richmond Ave Suite 600, Houston, Texas, 77042, United States of America. MaloneBailey, LLP is independent of the Combined Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.
2. The registrar and transfer agent for the Sphere Shares is TSX Trust Company at its principal office located at 200 University Av., Suite 400, Toronto, Ontario, M5H 4H1, Canada.

Selected Unaudited Pro Forma Financing Information for the Combined Company

Attached as Appendix "I" to this Information Circular are unaudited pro forma consolidated financial information respecting the Combined Company which are reported in United States dollars and have been prepared in accordance with U.S. GAAP. These unaudited pro forma consolidated financial statements have been prepared in connection with the Arrangement between Sphere and Cathedra substantially as set forth in the Arrangement Agreement. Pursuant to the Arrangement Agreement, Sphere will acquire all of the issued and outstanding Cathedra Shares. The Arrangement is expected to close in the first half of 2026.

These unaudited pro forma condensed combined financial statements have been prepared from information derived from, and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma financial information;
- the historical audited consolidated financial statements of Sphere for the year ended December 31, 2025, included in Sphere's Annual Report on Form 10-K, filed with the SEC on March 27, 2026; and
- the historical audited consolidated financial statements of Cathedra for the year ended December 31, 2025 filed on SEDAR+ on March 24, 2026.

The pro forma consolidated financial information respecting the Combined Company is presented for informational purposes only. The information is not necessarily indicative of the financial position and results of operations that actually would have been achieved had the Arrangement occurred as of the dates indicated in the accompanying notes to the unaudited pro forma financial information, nor do they purport to project the future financial position and operating results of the Combined Company.

The pro forma consolidated financial information also does not reflect the costs of any integration activities or cost savings or synergies that may be achieved as a result of the Arrangement and, accordingly, do not attempt to predict or suggest future results.

APPENDIX "I"
UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL STATEMENTS OF THE COMBINED COMPANY

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information (“**Unaudited Pro Forma Financial Information**”) has been prepared based on the historical audited consolidated financial statements of Sphere and Cathedra, as indicated below, and is intended to provide information about how the Arrangement would have affected Sphere’s historical financial statements.

The unaudited pro forma condensed combined balance sheet (“**Unaudited Pro Forma Balance Sheet**”) as of December 31, 2025 gives effect to the Arrangement as if it occurred on December 31, 2025 and combines the historical balance sheets of Sphere and Cathedra as of such date. The unaudited pro forma condensed combined statement of operations (“**Unaudited Pro Forma Statement of Operations**”) for the year ended December 31, 2025 combines the historical audited consolidated statements of operations of Sphere for the corresponding period, with the respective historical audited consolidated income statements of Cathedra, as if the Arrangement had occurred on January 1, 2025.

The Unaudited Pro Forma Financial Information has been prepared based on, and should be read in conjunction with:

- the historical audited consolidated financial statements of Sphere for the year ended December 31, 2025, included in this Proxy Statement;
- the historical audited consolidated financial statements of Cathedra for the year ended December 31, 2025, included in this Proxy Statement;
- the accompanying notes to the Unaudited Pro Forma Financial Information; and
- other information relating to Sphere and Cathedra contained in this Proxy Statement. See the section titled “*Where You Can Find More Information.*”

The Unaudited Pro Forma Financial Information is presented for informational purposes only. The information has been prepared in accordance with Article 11 of Regulation S-X, as amended by Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses,” using the assumptions set forth in the notes to the Unaudited Pro Forma Financial Information. The Arrangement will be recorded as a business combination using the acquisition method of accounting under GAAP. See section titled “*The Arrangement—Accounting Treatment*” of this Proxy Statement. Sphere, as the accounting acquirer, will record the acquired assets and assumed liabilities of Cathedra at their fair values as of the acquisition date. Sphere and Cathedra have determined a preliminary estimated purchase price calculated as described in Note 2 to the Unaudited Pro Forma Financial Information. The Unaudited Pro Forma Financial Information is not necessarily indicative of the financial position and results of operations that actually would have been achieved had the Arrangement occurred as of the dates indicated herein, nor do they purport to project the future financial position and operating results of the Combined Company. The Unaudited Pro Forma Financial Information also does not reflect the costs of any integration activities or cost savings or synergies expected to be achieved as a result of the Arrangement, which are described in the section titled “*The Arrangement—Sphere’s Reasons for the Arrangement*” of this Proxy Statement, and, accordingly, do not attempt to predict or suggest future results.

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The Unaudited Pro Forma Financial Information is based on the assumptions and adjustments that are described in the accompanying notes. The Unaudited Pro Forma Financial Information and pro forma adjustments have been prepared based on preliminary estimates of fair value of acquired assets and liabilities assumed. Differences between these preliminary estimates and the final acquisition accounting are likely to occur and these differences could be material. The actual amounts recorded as of the completion of the Arrangement may also differ materially from the information presented in the Unaudited Pro Forma Financial Information as a result of, among other factors, the amount of cash used in operations between the signing of the Arrangement and the closing of the Arrangement; the timing of closing of the Arrangement; changes in the fair value of Sphere Common Shares; and other changes in Sphere and Cathedra's assets and liabilities that occur prior to the completion of the Arrangement.

The Unaudited Pro Forma Financial Information does not give effect to the potential impact of current financial conditions, regulatory matters, operating efficiencies or other savings or expenses that may be associated with the integration of the two companies, if any.

The Transaction Accounting Adjustments represent Sphere Management's best estimates and are based upon currently available information and certain assumptions that Sphere Management believes are reasonable and supportable. As the Unaudited Pro Forma Financial Information has been prepared based on these assumptions, the final amounts recorded may differ materially from the information presented herein.

Sphere has elected not to present Sphere Management's Adjustments, which depict synergies and dis-synergies of the Arrangement, and will only be presenting Transaction Accounting Adjustments in the Unaudited Pro Forma Financial Information. Therefore, the Unaudited Pro Forma Statement of Operations does not include the effects of the costs associated with any integration or restructuring activities resulting from the Arrangement, as they are nonrecurring in nature. In addition, the Unaudited Pro Forma Financial Information does not give effect to any anticipated synergies, operating efficiencies, tax savings, or cost savings that may be associated with the Arrangement.

Given Sphere's history of net losses and full valuation allowance on its net deferred tax assets, the pro forma adjustments to the Unaudited Pro Forma Statement of Operations resulted in no income tax adjustment to the pro forma financials.

Additionally, as discussed in Note 3, certain reclassifications were made to conform the historical presentation of Cathedra's consolidated financial statements to that of Sphere's financial statement presentation. The accounting policies used in the preparation of the Unaudited Pro Forma Financial Information are those set out in Sphere's audited financial statements for the year ended December 31, 2025. Sphere Management conducted a preliminary evaluation of accounting policies used by Cathedra compared to accounting policies used by Sphere and identified certain adjustments as described below. Following the completion of the Arrangement, Sphere will conduct a comprehensive review of Cathedra's accounting policies, and as a result of that review, Sphere may identify differences which may have a material impact on the Unaudited Pro Forma Financial Information.

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Sphere 3D Corp
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
(in thousands)
As of December 31, 2025

		Historical				Pro Forma		
	Sphere 3D in US GAAP USD	Cathedra in IFRS CAD	Cathedra in IFRS USD	Adjustments to US GAAP USD	Cathedra in US GAAP USD	Transaction		
						Accounting Adjustments	Notes	Combined Results
Assets			3.B	3.C				
Current Assets:								
Cash and cash equivalents	\$ 3,707	\$ 1,084	\$ 791	\$ -	\$ 791	\$ -		\$ 4,498
Digital currencies	3,263	584	426	1	427	-		3,690
Trade and other receivables	-	933	680	-	680	(228)	3.D	452
Due from related parties	-	20	14	-	14	-		14
Other current assets	1,707	2,217	1,619	-	1,619	(518)	3.D	2,808
Total current assets	8,677	4,838	3,530	1	3,531	(746)		11,462
Property and equipment, net	14,608	6,202	4,525	671	5,196	-		19,804
Deposits	-	2,295	1,675	-	1,675	-		1,675
Goodwill	-	15,674	11,380	-	11,380	(17,330)	3.E	-
						5,566	2	
						384	2	
Intangible assets, net	1,610	-	-	-	-	-		1,610
Right-of-use assets	-	1,219	890	-	890	-		890
Investments	-	1,017	740	-	740	(674)	2	66
Other non-current assets	225	919	671	(671)	-	-		225
Total assets	\$25,120	\$ 32,164	\$ 23,411	\$ 1	\$ 23,412	\$ (12,800)		\$ 35,732

	Sphere 3D in US GAAP USD	Cathedr a in IFRS CAD	Cathedr a in IFRS USD	Adjustment s to US GAAP USD	Cathedr a in US GAAP USD	Transaction Accounting Adjustment s	Note s	Combine d Results
Liabilities and Shareholders’ Equity		3.B		3.C				
Current liabilities:								
Accounts payable	\$ 427	\$ 2,660	\$ 1,941	\$ (1,076)	\$ 865	\$ (228)	3.D	\$ 3,541
						2,477	3.F	
Accrued liabilities	544	-	-	1,076	1,076	-		1,620
Due to related parties	-	1,110	810	(400)	410	-		410

Accrued payroll and employee compensation	831	-	-	400	400	490	3.G	1,721
Income tax payable	-	335	244	-	244	-		244
Contract liabilities	-	792	578	-	578	-		578
Customer liabilities	-	2,044	1,493	-	1,493	(518)	3.D	975
Decommissioning liability	-	31	23	-	23	-		23
Current portion of lease liabilities	-	80	58	-	58	-		58
Total current liabilities	1,802	7,052	5,147	-	5,147	2,221		9,170
Lease liabilities	-	1,282	935	-	935	-		935
Total liabilities	1,802	8,334	6,082	-	6,082	2,221		10,105
Temporary equity	18	-	-	-	-	-		18
Shareholders' equity:								
Preferred shares - Sphere 3D Corp.						1,914	2	1,914
Common shares - Sphere 3D Corp.	503,414					3,652	2	507,847
						781	3.H	
Common shares - Cathedra		22,499	16,332	-	16,332	(16,332)	3.E	-
Accumulated other comprehensive loss	(1,811)	3,545	1,840	(1,595)	(834)	834	3.E	(1,811)
				(1,079)				
Accumulated deficit	(478,303)	(6,937)	(4,262)	1,595	(1,587)	1,587	3.E	(482,341)
				1,079				
				1		(290)	2	
						(781)	3.H	
						(490)	3.G	
						(2,477)	3.F	
Reserves	-	3,910	2,835	-	2,835	(2,835)	3.E	-
Contributed surplus	-	813	584	-	584	(584)	3.E	-
Shareholders' equity	23,300	23,830	17,329	1	17,330	(15,021)		25,609
Total liabilities, temporary equity, and shareholders' equity	\$ 25,120	\$ 32,164	\$ 23,411	\$ 1	\$ 23,412	\$ (12,800)		\$ 35,732

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Sphere 3D Corp.
UNAUDITED CONDENSED COMBINED STATEMENT OF OPERATIONS
(in thousands, except share and per share data)
For the Year Ended December 31, 2025

	Sphere 3D	Historical				Pro Forma		
		Cathedra	Cathedra	Adjustment s	Cathedra	Transaction Accounting Adjustment s	Note	Combined Results
	in US GAAP USD	in IFRS CAD	in IFRS USD	in US GAAP USD	in US GAAP USD			
		3.B	3.C					
Revenues:								
Total revenues	\$ 11,181	\$ 21,194	\$ 15,143	(\$ 109)	\$ 15,034	\$ (313)	3.D	\$ 25,902
Operating costs and expenses:								
Cost of revenue (exclusive of depreciation and amortization shown below)	8,554	16,047	11,476	-	11,476	(313)	3.D	19,717
General and administrative	8,266	7,331	5,246	-	5,246	781	3.H	17,298
						2,477	3.F	
						490	3.G	
						38	3.I	
Depreciation and amortization	6,878	4,784	3,421	-	3,421			10,299
Impairment of property and equipment	7,185	-	-	-	-	-		7,185
Loss on disposal of property and equipment	1,652	-	-	-	-	-		1,652
Impairment of goodwill and other assets	300	-	-	855	855	-		1,155
Change in fair value of digital currencies	345	(5)	(1)	(1,191)	(1,192)	-		(847)
Total operating expenses	33,180	28,157	20,142	(336)	19,806	3,473		56,459
Loss from operations	(21,999)	(6,963)	(4,999)	227	(4,772)	(3,786)		(30,557)

Other income (expense):							
Investment gain	438	75	54	88	142	-	580
Other income, net	81	-	-	-	-	-	81
Foreign exchange gain (loss)	-	(2,228)	(1,587)	1,595	8	-	8
Interest expense	-	(672)	(479)	-	(479)	-	(479)
Impairment of goodwill		(1,172)	(855)	855	-	-	-
Unrealized gain on investment		120	88	(88)	-	-	-
Gain on disposal of subsidiary	-	167	117	-	117	-	117
Gain on settlement of debt	-	693	495	-	495	-	495
Net (loss) income before taxes	(21,480)	(9,980)	(7,166)	2,677	(4,489)	(3,786)	(29,755)
Provision for income taxes	2	-	-	-	-		2
Net (loss) from continuing operations	<u>\$ (21,482)</u>	<u>\$ (9,980)</u>	<u>\$ (7,166)</u>	<u>\$ 2,677</u>	<u>\$ (4,489)</u>	<u>\$ (3,786)</u>	<u>\$ (29,757)</u>
Basic and diluted net loss per common share	<u>\$ (7.37)</u>	<u>\$ (0.34)</u>	<u>\$ (0.25)</u>		<u>\$ (0.15)</u>		<u>\$ (5.31)</u>
Weighted average number of common shares outstanding - basic and diluted	2,914,607	29,091,882	29,091,882		29,091,882	2,685,232	5,599,839
						3.J	

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SPHERE 3D CORP.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(Expressed in U.S. Dollars)

1. BASIS OF PRESENTATION

After completion of the Arrangement, the consolidated financial statements of the consolidated entity will be prepared and presented in accordance with GAAP. The Unaudited Pro Forma Financial Information includes (all financial information is prepared in accordance with GAAP):

- (a) The Unaudited Pro Forma Balance Sheet as of December 31, 2025, combines (i) the audited consolidated balance sheet of Sphere as of December 31, 2025, as included in this Proxy Statement, and (ii) the audited consolidated balance sheet of Cathedra, as derived from information included in this Proxy Statement, as of December 31, 2025, giving effect to the Arrangement as if it had been completed on December 31, 2025.
- (b) The Unaudited Pro Forma Statement of Operations from continuing operations for the year ended December 31, 2025 combines (i) the audited consolidated statement of operations of Sphere, as included in this Proxy Statement, and (ii) the audited consolidated statement of income or loss of Cathedra, as derived from information included in this Proxy Statement, for the year ended December 31, 2025, giving effect to the Arrangement as if it had been completed on January 1, 2025.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical consolidated financial statements and notes included therein of Sphere and Cathedra, as referred to above and included elsewhere in this Proxy Statement. Further review may identify differences between the accounting policies of Sphere and Cathedra that, when conformed, could have a material impact on the financial statements of the Combined Company. At this time, Sphere and Cathedra have made adjustments to align accounting policies and are not aware of any remaining accounting policy differences that would have a material impact on the Unaudited Pro Forma Financial Information of the Combined Company.

The Arrangement reflected in the Unaudited Pro Forma Financial Information has been prepared using the acquisition method of accounting in accordance with ASC 805, Business Combinations, under GAAP. Based on the definitions of control, Sphere is considered the legal and accounting acquirer. Under the acquisition method, the total estimated consideration is calculated as described in Note 2 to the Unaudited Pro Forma Financial Information. In accordance with the accounting guidance for business combinations, the assets acquired and liabilities assumed of Cathedra will be measured at their estimated fair values. The pro forma financial information has accounted for Cathedra's assets and liabilities based on their historical amounts as no valuation has occurred at this time to determine their respective fair values.

It is Sphere Management's opinion that the Unaudited Pro Forma Financial Information includes all adjustments necessary for the fair presentation of the Arrangement described herein. The Unaudited Pro Forma Financial Information has been presented for informational purposes only and is not intended to reflect the results of operations or the financial position of Sphere which would have actually resulted had the Arrangement been effected on the dates indicated. Furthermore, the Unaudited Pro Forma Financial Information is not necessarily indicative of the results of operations that may be obtained in the future. Actual amounts recorded upon completion of the Arrangement will differ from those recorded in the Unaudited Pro Forma Financial Information and the differences may be material.

Certain amounts included herein have been subject to rounding adjustments. Accordingly, amounts shown as totals in certain tables may not be the arithmetic aggregation of the amounts that precede them.

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2. ACQUISITION OF CATHEDRA

Sphere Management has estimated the preliminary consideration and has not yet completed an external valuation analysis of the fair market value of Cathedra's assets to be acquired and liabilities to be assumed. As a result, Sphere Management has estimated the allocation of the preliminary purchase price to Cathedra's assets and liabilities. This preliminary purchase price allocation has been used to prepare the pro forma adjustments in the Unaudited Pro Forma Balance Sheet. The final purchase price allocation will be determined when the final purchase price has been determined, the final assets and liabilities and any asset sales are known, and detailed valuations and any other studies and calculations deemed necessary have been completed. The final purchase price and purchase price allocation could differ materially from the preliminary purchase price and purchase price allocation used to prepare the pro forma adjustments resulting from changes to assets and liabilities and to the ultimate purchase consideration, and operations during the intervening period to the closing of the Arrangement, among other factors.

Pursuant to the terms of the Arrangement Agreement, Sphere will issue approximately 2,250,048 Sphere Common Shares to the shareholders of Cathedra to acquire 100% of the issued and outstanding common shares of Cathedra and 1,526,124 Sphere Series I Shares as well as Replacement Warrants and share-based awards. This preliminary purchase price is based on the aggregate number of shares of Sphere Common Shares and common shares equivalents expected to be outstanding at the closing of the Arrangement using the fair value of the shares as of the signing date of the Arrangement Agreement. The fair value of Series I Shares was estimated using an if-converted method based on the publicly traded common share price of \$1.46 as of March 5, 2026, adjusted for time-based conversion restrictions using an 8% discount rate. This is a preliminary estimate and the actual fair value may differ upon completion of a formal valuation analysis at the time of the consummation of the Arrangement. A preliminary accounting assessment was performed over Sphere Series I Shares to determine the balance sheet classification. The preliminary conclusion resulted in permanent equity classification, which is subject to further accounting assessment and may be subject to change at the time of the consummation of the Arrangement and when the accounting assessment is completed.

The following table summarizes the preliminary estimated consideration:

	Estimated Number of Shares to be issued	Estimated Fair Value Per Share of Sphere Common Share	Estimated Consideration (in thousands)
Estimated number of Sphere Series I Shares to be issued	1,526,124	\$ 1.25	\$ 1,914
Estimated number of Sphere Common Shares to be issued	2,250,048	\$ 1.46	\$ 3,285
Estimated Black-Scholes value of warrants	159,683	\$ 2.30	\$ 367
Total number of estimated Sphere Common Shares to be issued	2,409,731		\$ 3,652
Total Estimated Consideration			\$ 5,566

The actual consideration will fluctuate until the Effective Date of the Arrangement and the final valuation and accounting classification assessment could differ significantly from the preliminary estimate. The following table illustrates the effect of changes in the price of Sphere's Common Shares on the estimated purchase price that may result at certain purchase price levels in the Arrangement (in thousands, except per share amounts):

Scenario	Sphere Common Share Price	Estimated Consideration Sensitivity (in thousands)

30% Decrease	\$	1.02	\$	3,840
20% Decrease	\$	1.17	\$	4,420
10% Decrease	\$	1.31	\$	4,987
Base Case	\$	1.46	\$	5,566
10% Increase	\$	1.61	\$	6,146
20% Increase	\$	1.75	\$	6,713
30% Increase	\$	1.90	\$	7,292

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3) PRO FORMA ADJUSTMENTS

The adjustments reflect the acquisition method of accounting, which takes into account the total consideration transferred for Cathedra's assets and liabilities based on their historical amounts as no valuation has occurred at this time to determine their respective fair values.

- A The preliminary estimated consideration transferred and assets acquired and liabilities assumed are recorded as follows (in thousands):

Cash and cash equivalents	\$	791
Digital currencies		427
Trade and other receivables		452
Other current assets		1,633
Property and equipment, net		5,196
Investments		66
Right of use assets		890
Other non-current assets		1,675
Accounts payable, accrued expenses and other liabilities		(4,571)
Lease liabilities		(993)
Preliminary purchase price consideration	\$	<u>5,566</u>

A final determination of fair value may differ materially from the preliminary estimates and will include Sphere Management's final valuation. The final valuation will change the calculation of consideration, which could affect the fair value assigned to the assets acquired and liabilities assumed and could result in a change to the Unaudited Pro Forma Financial Information.

- B. The Unaudited Pro Forma Financial Information is presented in U.S. dollars ("USD"), which is also the functional currency of Sphere. Since Cathedra's historical consolidated financial statements are presented in Canadian dollars ("CAD"), the historical financial information of Cathedra used in the Unaudited Pro Forma Financial Information has been translated into USD using the following historical CAD to USD exchange rates:

Period-end exchange rate as of December 31, 2025: \$0.73

Average exchange rate for the year ended December 31, 2025: \$0.71

- C. The effects of converting Cathedra's historical financial information from IFRS Accounting Standards to GAAP have been estimated and included in the Unaudited Pro Forma Financial Information. Further adjustments may be identified.

Certain reclassifications were made to conform the historical presentation of Cathedra consolidated financial statements to that of Sphere's financial statement presentation as follows;

Presentation in Cathedra's IFRS Financial Statements	Presentation in Unaudited Pro forma Financial Information	Amount in Thousands
Prepaid expenses	Other current assets	\$ 1,272
Deposits	Other current assets	\$ 67
Other assets	Other current assets	\$ 280
Trade payables and accrued liabilities	Accounts payable	\$ 865
	Accrued expenses	\$ 1,076
	Accrued payroll and employee compensation	\$ 400
Revenues	Bitcoin mining revenue	\$ 15,034

Operating costs	Cost of revenue (exclusive of depreciation and amortization shown below)	\$ 11,476
Depreciation	Depreciation and amortization	\$ 3,421
Realized gain on sale of digital currencies	Change in fair value of digital currencies	\$ (1,192)
Director fees	General and administrative	\$ 233
Management and consulting fees	General and administrative	\$ 1,821
Office and administration	General and administrative	\$ 811
Professional fees	General and administrative	\$ 1,034
Salaries and wages	General and administrative	\$ 659
Share-based compensation	General and administrative	\$ 639
Travel	General and administrative	\$ 49
Net finance costs	Interest expense	\$ (479)
Other income	Investment gain	\$ 54
Impairment of goodwill	Impairment of goodwill and other assets	\$ 855
Unrealized gain on investment	Investment gain	\$ 88

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The financial information below illustrates the impact of adjustments made to Cathedra's consolidated financial statements as prepared in accordance with IFRS, in order to present them on a basis consistent with the Sphere's accounting presentation in accordance with GAAP.

	Historical				
	Cathedra in IFRS CAD	Cathedra in IFRS USD 3.B	Adjustments Reclassification n 3.C	Adjustment s to US GAAP 3.C	Cathedra in US GAAP USD
Assets					
Current Assets:					
Cash and cash equivalents	\$ 1,084	\$ 791	-	-	\$ 791
Digital currencies	584	426	-	\$ 1	427
Trade and other receivables	933	680	-	-	680
Due from related parties	20	14	-	-	14
Other current assets	2,217	1,619	-	-	1,619
Total current assets	4,838	3,530	-	1	3,531
Property and equipment, net	6,202	4,525	-	\$ 671	5,196
Deposits	2,295	1,675	-	-	1,675
Goodwill	15,674	11,380	-	-	11,380
Right-of-use assets	1,219	890	-	-	890
Investments	1,017	740	-	-	740
Other non-current assets	919	671	-	(671)	-
Total assets	\$ 32,164	\$ 23,411	\$ -	\$ 1	\$ 23,412
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable	\$ 2,660	\$ 1,941	\$ (1,076)	3	\$ 865
Accrued liabilities	-	-	1,076	3	1,076
Accrued payroll and employee compensation	-	-	400	3	400
Income tax payable	335	244	-	-	244
Contract liabilities	792	578	-	-	578
Customer liabilities	2,044	1,493	-	-	1,493

Decommissioning liability	31	23	-	-	23
Current portion of lease liabilities	80	58	-	-	58
Total current liabilities	5,942	4,337	-	-	4,737
Lease liabilities	1,282	935	-	-	935
Total liabilities	8,334	5,272	-	-	5,672
Shareholders' equity:					
Common shares - Cathedra	22,499	16,332	-	-	16,332
Accumulated other comprehensive loss	3,545	1,840	-	(1,595) 3.C. 4	(834)
				(1,079) 3.C. 5	
Accumulated deficit	(6,937)	(4,262)	-	1,595 3.C. 4	(1,587)
				1,079 3.C. 5	
				1 3.C. 1	
Reserves	3,910	2,835	-	-	2,835
Contributed surplus	813	584	-	-	584
Shareholders' equity	23,830	17,329	-	1	17,330
Total liabilities, temporary equity, and shareholders' equity	\$ 32,164	\$ 23,411	\$ -	\$ 1	\$ 23,412

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	Historical				
	Cathedra in IFRS CAD	Cathedra in IFRS USD 3.B	Adjustments Reclassification 3.C	Adjustments to US GAAP 3.C	Cathedra in US GAAP USD 3.C.8
Revenues:					
Total revenues	\$ 21,194	\$ 15,143	-	(\$ (109) 3.C.8	\$ 15,034
Operating costs and expenses:					
Cost of revenue (exclusive of depreciation and amortization shown below)	16,047	11,476	-	-	11,476
General and administrative	7,331	5,246	-	-	5,246
Depreciation and amortization	4,784	3,421	-	-	3,421
Impairment of goodwill and other assets	-	-	855 3.C.6	-	855
Change in fair value of digital currencies	(5)	(1)		(1,191) 3.C.5	(1,192)
Total operating expenses	28,157	20,142	855	(1,191)	19,806
Loss from operations	(6,963)	(4,999)	(855)	1,082	(4,772)
Other income (expense):					
Investment gain	75	54	88 3.C.7	-	142
Foreign exchange gain (loss)	(2,228)	(1,587)	-	1,595 3.C.4	8
Interest expense	(672)	(479)	-	-	(479)
Impairment of goodwill	(1,172)	(855)	855 3.C.6	-	-
Unrealized gain on investment	120	88	(88) 3.C.7	-	-
Gain on disposal of subsidiary	167	117	-	-	117
Gain on settlement of debt	693	495	-	-	495
Net (loss) income before taxes	(9,980)	(7,166)	-	2,677	(4,489)
Provision for income taxes	-	-	-	-	-
Net (loss) from continuing operations	\$ (9,980)	\$ (7,166)	\$ -	\$ 2,677	\$ (4,489)
Basic and diluted net loss per common share	\$ (0.34)	\$ (0.25)			\$ (0.15)
Weighted average number of common shares outstanding - basic and diluted	29,091,882	29,091,882			29,091,882

Adjustments herein represent the alignment of the accounting policies and reclassifications, including the following:

1. Adjustment to record the fair value of digital currencies measured using the period-end closing price rather than as an intangible asset with an indefinite useful life initially measured at cost, and subsequently measured under the revaluation model to conform to Sphere's accounting policy;
2. Reclassification to present costs of infrastructure within property plant and equipment rather than other non-current assets to conform to Sphere's accounting policy;

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3. Reclassification of amounts within accounts payable, accrued expenses and due to related parties to conform to Sphere's balance sheet presentation;
 4. Adjustment to present cumulative translation adjustments within accumulated other comprehensive loss rather than accumulated deficit and other income (expense) to conform to Sphere's accounting policy;
 5. Adjustment to present the changes in fair market value of digital currencies within operating expenses and accumulated deficit rather than other comprehensive loss and accumulated other comprehensive loss to conform to Sphere's accounting policy;
 6. Reclassification of impairment of goodwill from other income (expense) to total operating expenses to conform to Sphere's accounting policy;
 7. Reclassification of unrealized gain on investment to investment gain to conform to Sphere's accounting policy; and
 8. Revenue adjustment to measure the contract consideration at fair value at contract inception based on the Bitcoin spot price at the beginning of the day, with a corresponding increase to net loss from continuing operations rather than the spot price on the date of receipt to conform to Sphere's accounting policy.
- D. The adjustment reflects the elimination of related party receivable, prepaids, deposits, customer liabilities, and intra-entity transactions between Sphere and Cathedra upon consummation of the Arrangement.
- E. The adjustment reflects the elimination of Cathedra's shareholders' equity, which consists of Cathedra shares, reserves, contributed surplus and accumulated deficit, which will be eliminated upon consolidation.
- F. Sphere and Cathedra expect to incur acquisition-related transaction costs of approximately \$2.5 million, comprised of professional, legal and accounting fees of \$1.5 million, and \$1.0 million in strategic advisory fees related to the Arrangement. These costs will not affect the Sphere's combined statement of operations beyond 12 months after the acquisition date.
- G. The adjustment reflects a transaction bonus to be issued by Sphere in connection within the consummation of the Arrangement (this adjustment is considered to be a one-time charge and is not expected to recur).
- H. The adjustment reflects Sphere restricted stock units that accelerate in accordance with the terms of the applicable equity plans (this adjustment is considered to be a one-time charge and is not expected to recur).

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- I. As of December 31, 2025, approximately 2.8 million Cathedra RSUs were issued and outstanding. One of the Cathedra RSUs is expected to be exchanged for a Replacement RSU. As a result, Sphere will issue approximately 340,000 Replacement RSUs to one Cathedra RSU holder. The fair value of the Replacement RSUs has been determined to be approximately \$0.5 million using the closing stock price on March 5, 2026, which will be allocated between consideration and post-combination expenses. Of this amount, \$0.2 million represents the fair-value-measure of the vested portion of the Replacement RSUs and is considered part of the consideration. The remaining \$0.3 million is treated as post-combination expense and will be recognized over the remaining 2.7 year post combination service period. Approximately \$38 thousand post-acquisition share-based compensation is reflected in the Unaudited Pro Forma Statement of Operations for the year ended December 31, 2025.

As of December 31, 2025, approximately 725,000 Cathedra Options were issued and outstanding. The Cathedra Options are deemed to be vested on the date of Closing and exchanged for Replacement Options. As a result, Sphere will issue a total of approximately 89,000 Replacement Options to the Cathedra Optionholders. The fair value of the Replacement Options has been determined to be de minimis using the Black-Scholes option pricing model therefore no incremental fair value is reflected in the Unaudited Pro Forma Statement of Operations for the year ended December 31, 2025.

- J. Shares used in computing basic and diluted net loss per share as if the Arrangement had occurred on January 1, 2025 are as follows;

(in thousands, except share and per share data)	Year Ended December 31, 2025
Numerator (basic and diluted)	
Pro forma net loss from continuing operations	\$ (29,757)
Denominator (basic and diluted)	
Historical weighted-average shares outstanding	2,914,607
Shares of Sphere Common Shares as consideration transferred	2,088,227
Cathedra's equity awards converted to Sphere Common Shares	161,821
Sphere's equity awards converted to Sphere Common Shares	435,184
Total weighted average shares outstanding (basic and diluted)	<u>5,599,839</u>
Pro forma loss per share	
Basic and diluted	<u>\$ (5.31)</u>

A net loss cannot be diluted. When a company is in a net loss position, basic and diluted loss per share are the same.

The computation of pro forma diluted weighted-average shares outstanding for the year ended December 31, 2025, excludes the following;

	Year Ended December 31, 2025
Series H Preferred Shares Common Share Equivalents	2,300
Series I Shares Common Share Equivalents	1,526,124
Sphere Options and Cathedra Replacement Options	137,711

Sphere Warrants and Cathedra Replacement Warrants	1,484,217
Sphere RSUs and Cathedra Replacement RSU	396,705

APPENDIX "J"

DISSENT PROVISIONS

Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2)

(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;

- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995 (5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who

beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (l)(g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240(2) (b) or (3)(b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238(l)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

- 243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1)(a) or (b) of this section must

- (a) be dated not earlier than the date on which the notice is sent,
- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1)(c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
- (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
- (c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
- (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),

- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
- (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- (a) the company is insolvent, or
- (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

