



# Cathedral

## **Cathedral Bitcoin Inc.**

### **Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2025 and 2024

*(expressed in Canadian dollars, unless otherwise noted)*

# Cathedra Bitcoin Inc.

## Condensed Consolidated Interim Statements of Financial Position

As at June 30, 2025 and December 31, 2024

(Expressed in Canadian dollars, unless otherwise noted)

As at:	Notes	June 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 324,631	\$ 101,367
Digital currencies	4	86,599	6,456,425
Restricted digital currencies	4,12	7,390,320	-
Trade receivables		764,829	1,448,900
Prepaid expenses	5	982,270	1,257,493
Deposits	6	140,620	148,309
Other assets		382,108	413,776
Assets classified as held for sale	9	-	31,127,752
<b>Total current assets</b>		<b>\$ 10,071,377</b>	<b>\$ 40,954,022</b>
<b>Non-current assets</b>			
Deposits	6	2,341,148	2,473,407
Other non-current assets		775,188	891,918
Property and equipment	7	5,052,043	7,409,084
Right-of-use assets	8	867,229	1,705,863
Investments	10	890,076	916,483
Goodwill	2	16,845,242	16,845,242
<b>Total assets</b>		<b>\$ 36,842,303</b>	<b>\$ 71,196,019</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and accrued liabilities	11	2,349,477	2,478,212
Due to related parties	15	739,895	672,411
Income tax payable		663,105	522,299
Contract liabilities		75,070	149,452
Customer liabilities		1,426,252	1,328,644
Decommissioning liability		30,697	32,375
Current portion of lease liabilities	8	365,893	1,132,305
Loans and borrowings	12	3,436,995	5,134,121
Other liability	9	363,409	-
Liabilities directly associated with assets held for sale	9	-	14,506,358
<b>Total current liabilities</b>		<b>\$ 9,450,793</b>	<b>\$ 25,956,177</b>
<b>Non-current liabilities</b>			
Customer liabilities		375,339	747,053
Lease liabilities	8	634,438	695,617
<b>Total liabilities</b>		<b>\$ 10,460,570</b>	<b>\$ 27,398,847</b>
<b>EQUITY</b>			
Share capital	13	21,725,606	21,716,754
Reserves	14	3,604,118	3,534,980
Accumulated other comprehensive income		2,532,718	5,559
Retained earnings (deficit)		(1,480,709)	3,019,093
<b>Total shareholders' equity</b>		<b>\$ 26,381,733</b>	<b>\$ 28,276,386</b>
Non-controlling interest	9	-	15,520,786
<b>Total liabilities and equity</b>		<b>\$ 36,842,303</b>	<b>\$ 71,196,019</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Nature of operations (Note 1)

Segment reporting (Note 20)

Events after reporting period (Note 21)

Approved by the Board of Directors and authorized for issue on August 26, 2025:

"Joel Block" Director

"David Jaques" Director

# Cathdra Bitcoin Inc.

## Condensed Consolidated Interim Statements of Income or Loss and Comprehensive Income or Loss

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

		Three months ended (Note 2)		Six months ended (Note 2)	
	Notes	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<b>Revenues</b>	4	\$ 5,183,340	\$ 5,696,334	\$ 11,686,630	\$ 11,562,513
<b>Cost of revenues</b>					
Operating costs		(3,887,322)	(3,870,064)	(8,198,003)	(8,125,380)
Depreciation	7,8	(1,378,502)	(197,643)	(2,905,675)	(392,440)
<b>Gross income (loss)</b>		<b>\$ (82,484)</b>	<b>\$ 1,628,627</b>	<b>\$ 582,952</b>	<b>\$ 3,044,693</b>
Realized gain on sale of digital currencies	4	21,780	2,727	178,189	9,020
<b>Income (loss) before operating expenses</b>		<b>\$ (60,704)</b>	<b>\$ 1,631,354</b>	<b>\$ 761,141</b>	<b>\$ 3,053,713</b>
<b>Operating expenses</b>					
Director fees	15	116,590	–	194,249	–
Management and consulting fees	15	451,638	22,235	813,150	46,510
Office and administration		213,373	26,128	743,314	72,249
Professional fees		385,985	179,769	730,317	353,720
Salaries and wages	15	59,996	–	149,149	–
Share-based compensation	14,15	81,394	–	181,420	–
Travel		4,732	–	13,709	–
<b>Total operating expenses</b>		<b>\$ (1,313,708)</b>	<b>\$ (228,132)</b>	<b>\$ (2,825,308)</b>	<b>\$ (472,479)</b>
<b>Operating income (loss)</b>		<b>\$ (1,374,412)</b>	<b>\$ 1,403,222</b>	<b>\$ (2,064,167)</b>	<b>\$ 2,581,234</b>
<b>Other income (expenses)</b>					
Foreign exchange loss		(2,325,508)	–	(2,420,045)	–
Net finance costs	8,12	(191,307)	(35,936)	(488,637)	(71,567)
Other income		14,505	–	21,554	–
Revaluation loss on digital currencies		–	(4,629)	–	(4,823)
Gain on debt settlement	12	–	–	693,411	–
Unrealized loss on investment	10	–	–	(4,383)	–
<b>Income (loss) from continuing operations before income taxes</b>		<b>\$ (3,876,722)</b>	<b>\$ 1,362,657</b>	<b>\$ (4,262,267)</b>	<b>\$ 2,504,844</b>
Current income tax expense		(301,674)	–	(340,295)	(15,706)
Income from discontinued operation	9	–	170,962	290,421	185,040
<b>Net income (loss)</b>		<b>\$ (4,178,396)</b>	<b>\$ 1,533,619</b>	<b>\$ (4,312,141)</b>	<b>\$ 2,674,178</b>
<b>Other comprehensive income (loss)</b>					
<i>Items that may be reclassified to income or loss</i>					
Exchange differences on translation of foreign operations		1,805,129	39,700	1,787,029	110,914
Exchange differences on translation of discontinued operation	9	–	139,475	(1,875)	193,772
Revaluation loss on digital currencies.	4	1,748,399	–	823,933	–
<b>Total comprehensive income (loss)</b>		<b>\$ (624,868)</b>	<b>\$ 1,712,794</b>	<b>\$ (1,703,054)</b>	<b>\$ 2,978,864</b>
<b>Net income/(loss) for the period attributable to:</b>					
Shareholders of the Company		(4,178,396)	1,375,188	(4,583,605)	2,502,701
Non-controlling interest	9	–	158,431	271,464	171,477
		<b>\$ (4,178,396)</b>	<b>\$ 1,533,619</b>	<b>\$ (4,312,141)</b>	<b>\$ 2,674,178</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>					
Shareholders of the Company		(624,868)	1,425,111	(1,972,643)	2,627,818
Non-controlling interest	9	–	287,683	269,589	351,046
		<b>\$ (624,868)</b>	<b>\$ 1,712,794</b>	<b>\$ (1,703,054)</b>	<b>\$ 2,978,864</b>
<b>Basic and diluted (loss) earnings per common share</b>		<b>\$ (0.00)</b>	<b>\$ 0.00</b>	<b>\$ (0.00)</b>	<b>\$ 0.00</b>
Weighted average number of common shares outstanding - basic		864,479,692	625,342,908	864,459,771	625,342,908
Weighted average number of common shares outstanding - diluted		871,922,853	625,342,908	871,942,774	625,342,908

The accompanying notes are an integral part of these condensed consolidated interim financial statements

# Cathedra Bitcoin Inc.

## Condensed Consolidated Interim Statements of Changes in Equity

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

	Share capital	Reserves	Accumulated other comprehensive income/(loss)	Retained earnings (deficit)	Shareholders' equity	Non-controlling interest	Total equity
<b>Balance - December 31, 2023</b>	\$ 1,278	\$ -	\$ (54,407)	\$ 2,345,258	\$ 2,292,129	\$ -	\$ 2,292,129
Recognition of non-controlling interest from sale of interest in the subsidiary	-	-	-	-	-	15,186,852	15,186,852
Exchange differences on translation of foreign operations	-	-	125,117	-	125,117	179,569	304,686
Net income for the period	-	-	-	2,502,701	2,502,701	171,477	2,674,178
<b>Balance - June 30, 2024 (Note 2)</b>	\$ 1,278	\$ -	\$ 70,710	\$ 4,847,959	\$ 4,919,947	\$ 15,537,898	\$ 20,457,845
<b>Balance - December 31, 2024</b>	\$ 21,716,754	\$ 3,534,980	\$ 5,559	\$ 3,019,093	\$ 28,276,386	\$ 15,520,786	\$ 43,797,172
Derecognition of non-controlling interest	-	-	-	-	-	(14,699,093)	(14,699,093)
Share-based compensation	-	181,420	-	-	181,420	-	181,420
Subordinate voting shares issued on RSU vesting	8,852	(8,852)	-	-	-	-	-
Repurchase of share purchase warrants for cancellation	-	(103,430)	-	-	(103,430)	-	(103,430)
Exchange differences on translation of foreign operations	-	-	1,787,029	-	1,787,029	(1,875)	1,785,154
Exchange differences on translation of foreign operations subsequently reclassified to statement of profit or loss	-	-	(83,803)	83,803	-	(1,091,282)	(1,091,282)
Unrealized gain from revaluation of digital currencies	-	-	823,933	-	823,933	-	823,933
Net income (loss) for the period	-	-	-	(4,583,605)	(4,583,605)	271,464	(4,312,141)
<b>Balance - June 30, 2025</b>	\$ 21,725,606	\$ 3,604,118	\$ 2,532,718	\$ (1,480,709)	\$ 26,381,733	\$ -	\$ 26,381,733

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Business Combination (Note 2)

Share Capital (Note 13)

Reserves (Note 14)

# Cathedra Bitcoin Inc.

## Condensed Consolidated Interim Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

		June 30, 2025		June 30, 2024 (Note 2)
<b>For the six months ended:</b>				
<b>OPERATING ACTIVITIES</b>				
Net income/(loss) for the period	\$	(4,312,141)	\$	2,674,178
<b>Non-cash items:</b>				
Depreciation		2,905,675		392,440
Share-based compensation		181,420		-
Net finance costs		488,637		71,567
Unrealized loss on investment		4,383		-
Revaluation loss on digital currencies		-		4,823
Gain on settlement of debt		(693,411)		-
Foreign exchange		2,445,494		-
<b>Changes in non-cash working capital items:</b>				
Digital currencies		(4,706,001)		35,306
Trade receivables		187,569		11,200
Prepaid expenses		243,257		(907,512)
Deposits		4,139		1,111,534
Other assets		10,505		-
Trade payables and accrued liabilities		272,938		(341,123)
Customer liabilities		(244,682)		(238,333)
Contract liabilities		-		55,397
Income tax payable		176,208		(5,228)
Other liability		(363,409)		-
<b>Net cash generated by (used in) operating activities</b>	<b>\$</b>	<b>(3,399,419)</b>	<b>\$</b>	<b>2,864,249</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of digital currencies, net of fees	\$	(28,710)	\$	-
Proceeds from sale of digital currencies, net of fees		4,187,234		-
Proceeds from sale of discontinued operation		1,431,930		-
<b>Net cash generated by investing activities</b>	<b>\$</b>	<b>5,590,454</b>	<b>\$</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>				
Payment of lease obligations	\$	(904,258)	\$	(89,885)
Advances from (repayment to) related parties		283,483		(2,573,621)
Proceeds from term loan		3,499,791		-
Repayment of principal and interest on convertible loan		(4,631,579)		-
Repayment of interest on term loan		(115,475)		-
Repurchase of share purchase warrants for cancellation		(103,430)		-
<b>Net cash generated used in financing activities</b>	<b>\$</b>	<b>(1,971,468)</b>	<b>\$</b>	<b>(2,663,506)</b>
Effect of foreign exchange rate fluctuation		3,697		10,358
<b>Increase in cash and cash equivalents</b>	<b>\$</b>	<b>223,264</b>	<b>\$</b>	<b>211,101</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>\$</b>	<b>101,367</b>	<b>\$</b>	<b>122,188</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$</b>	<b>324,631</b>	<b>\$</b>	<b>333,289</b>
Income tax paid	\$	177,031		15,706

Supplemental cash flow information (Note 18)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

# Cathedra Bitcoin Inc.

## Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

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### 1. Nature of Operations

Cathedra Bitcoin Inc. (“Cathedra”, “we”, “our” or the “Company”) develops and operates high-density compute infrastructure across North America. We host bitcoin mining clients across a portfolio of three data centers (30 megawatts total) in Tennessee and Kentucky. Cathedra also operates a fleet of proprietary bitcoin mining machines at our own and third-party data centers, producing approximately 400 PH/s of hash rate. We are focused on expanding our portfolio of data center infrastructure for high-density compute applications including bitcoin mining and artificial intelligence. Cathedra is headquartered in Vancouver, British Columbia, and our shares trade on the TSX Venture Exchange (the “TSXV”) under the symbol CBIT and on the OTCQB Venture Market under the symbol CBTTF. The Company was incorporated under the Business Corporations Act (Ontario) on July 13, 2011, and our registered and records office is located at 170 – 422 Richards Street, Vancouver, British Columbia, Canada, V6B 2Z4.

These condensed consolidated interim financial statements (“Interim Financial Statements”) have been prepared on a going concern basis which contemplates that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

### 2. Business Combination

On July 23, 2024, the Company completed a business combination (the “Kungsleden Merger”) with Kungsleden, Inc. (“Kungsleden”), a developer and operator of alternative high-density compute infrastructure.

The Kungsleden Merger was completed according to the terms of a share exchange agreement dated March 6, 2024, as amended on June 18, 2024 (together, the “Share Exchange Agreement”), between Cathedra, Kungsleden and Kungsleden’s shareholders (the “Vendors”).

Pursuant to the terms of the Share Exchange Agreement, Cathedra acquired all of the outstanding shares of Kungsleden from the Vendors in exchange for 6,253,429 multiple voting shares of Cathedra (the “Multiple Voting Shares”) on the basis of an exchange ratio of one common share of Kungsleden for approximately 6.253429078 Multiple Voting Shares. The 6,253,429 Multiple Voting Shares issued to the Vendors are convertible into 625,342,908 subordinate voting shares of Cathedra (the “Subordinate Voting Shares”). The Kungsleden Merger resulted in the Vendors owning (on a non-diluted basis) approximately 72.5% of the equity of the Company and existing Cathedra shareholders owning the remaining 27.5% of the equity of the Company. The Vendors hold approximately 80% of the voting rights of Cathedra and existing Cathedra shareholders own the remaining 20%.

The Kungsleden Merger has been accounted for using the acquisition method under IFRS 3, Business Combinations (“IFRS 3”), which requires that one of Cathedra or Kungsleden be determined to be the acquirer for accounting purposes. The Kungsleden Merger has been accounted for as a reverse take-over of Cathedra by Kungsleden. The entities which are party to the Kungsleden Merger meet the definition of a business. These consolidated financial statements reflect the continuance of Kungsleden and the acquisition and assumption of Cathedra’s identifiable assets and liabilities, respectively, at fair value.

Kungsleden is deemed to have issued 379,310 common shares in exchange for all of the issued and outstanding shares of Cathedra. The consideration for shares issued is \$22,154,165, including \$577,210 (Note 14) being the convertible loan equity portion, based on Kungsleden’s enterprise value of \$93,457,280. The Company issued the following replacement awards: 3,505,364 stock options, 1,716,881 restricted share units and 51,144,882 share purchase warrants valued \$1,579,219 exercisable into subordinate voting shares of Cathedra; see Note 16 for details on valuation approach and assumptions used to value replacement awards.

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

	\$
<b>Consideration:</b>	
Deemed share consideration	22,154,165
Replacement awards	1,579,219
<b>Total consideration</b>	<b>23,733,384</b>
<b>Assets acquired:</b>	
Cash and cash equivalents	1,429,575
Digital currencies	4,029,042
Other receivables	136,545
Prepaid expenses	349,593
Deposits	1,643,960
Inventories	954,772
Property and equipment	4,986,820
Right-of-use assets	1,510,745
Investments	913,658
Goodwill	16,845,242
<b>Total assets acquired</b>	<b>32,799,952</b>
<b>Liabilities assumed:</b>	
Trade payables and accrued liabilities	2,637,725
Interest payable	12,543
Decommissioning liability	77,610
Lease liabilities	1,510,745
Convertible loan	4,827,945
<b>Total liabilities assumed</b>	<b>9,066,568</b>
<b>Net assets acquired</b>	<b>23,733,384</b>

### 3. Material Accounting Policy Information

#### Basis of Preparation

##### *Statement of Compliance*

The Interim Financial Statements as at June 30, 2025, and for the three and six months then ended have been prepared in accordance with International Accounting Standard (“IAS 34”) Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the Company’s Audited Financial Statements for the year ended December 31, 2024 and 2023. Selected explanatory notes are included in the Interim Financial Statements to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last audited financial statements.

These Interim Financial Statements were approved and authorized for issuance by the Board of Directors on August 26, 2025.

These interim financial statements have been prepared on an accrual basis and are based on historical cost basis except for a certain financial instrument which is measured at their fair value.

The Interim Financial Statements of the Company are presented in Canadian dollars unless otherwise indicated, the reporting currency of the Company.

**Cathedra Bitcoin Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
For the three and six months ended June 30, 2025 and 2024  
*(Expressed in Canadian dollars, unless otherwise noted)*

*Basis of Consolidation*

Subsidiaries

The Financial Statements include the accounts of the Company and its subsidiaries, which are controlled by the Company. Control is achieved when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following: (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns.

The financial statements of the subsidiaries are included in these financial statements from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation. The entities contained in the Financial Statements are as follows:

<b>Entity Name</b>	<b>Place of Business and Operations</b>	<b>Functional Currency</b>	<b>Equity Percentage</b>
Cathedra Bitcoin Inc. (the “Company”) – parent	Canada	CAD	n/a
HPC Holdings LLC (“HPC Holdings”)	United States	USD	100% owned by parent
Kungsleden, Inc. (“Kungsleden” or “K Inc.”)	United States	USD	100% owned by parent
Buckeye HPC LLC (“Buckeye HPC”)	United States	USD	100% owned by HPC Holdings
Sentinel Technology, LLC	United States	USD	100% owned by K Inc.
Churchill Technologies LLC	United States	USD	100% owned by K Inc.
Two Keys Technologies LLC	United States	USD	100% owned by K Inc.
North Campbell HoldCo LLC	United States	USD	100% owned by K Inc.
Buckeye Technologies HoldCo LLC (“Buckeye HoldCo”)	United States	USD	100% owned by K Inc.
Buckeye Technologies OpCo LLC (“Buckeye Technologies”)	United States	USD	100% owned by Buckeye HoldCo
North Campbell LandCo LLC	United States	USD	100% owned by North Campbell HoldCo LLC
North Campbell HostCo LLC	United States	USD	100% owned by North Campbell HoldCo LLC
Crystal Core LLC	United States	USD	100% owned by K Inc.
Tirpitz Technology HoldCo LLC (T Tech)	United States	USD	7.33% owned by K Inc.
Tirpitz Technology LandCo LLC	United States	USD	100% owned by T Tech
Tirpitz Technology HostCo LLC	United States	USD	100% owned by T Tech
Fortress Blockchain Holdings Corp. (“FBHC”)	Canada	CAD	100% owned by parent
Fortress Blockchain (US) Holdings Corp. (“FBUS”)	United States	USD	100% owned by FBHC
Cathedra Lease Co LLC (“CLC”)	United States	USD	100% owned by FBUS

T Tech was sold during the six months ended June 30, 2025, see Note 9 for details. HPC Holdings, Buckeye HPC, Buckeye HoldCo, Buckeye Technologies and Crystal Core LLC were formed during the six months ended June 30, 2025.

*Functional and Presentation Currency*

Transactions undertaken in foreign currencies are translated into Canadian dollars at daily exchange rates prevailing when the transactions occur. Monetary assets and liabilities denominated in foreign currencies are translated at period-end exchange rates and non-monetary items are translated at historical exchange rates. Realized and unrealized exchange gains and losses are recognized in the consolidated statements



## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

of comprehensive income or loss. The assets and liabilities of foreign operations are translated into Canadian dollars using the period-end exchange rates. Income, expenses, and cash flows of foreign operations are translated into Canadian dollars using average exchange rates. Exchange differences resulting from the translation of foreign operations into Canadian dollars are recognized in other comprehensive income or loss and accumulated in equity.

#### Comprehensive Income (Loss)

Total comprehensive income (loss) comprises all components of profit or loss and other comprehensive income (loss). Other comprehensive income (loss) includes gains and losses from translating the financial statements of an entity's whose functional currency differs from the presentation currency and gains from revaluation of digital currencies.

#### Material Accounting Policies

Material accounting policies applied to these Interim Financial Statements are the same as those applied and disclosed in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2024.

#### Use of Estimates, Assumptions, and Judgements

Critical accounting estimates, assumptions and judgements applied to these Interim Financial Statements are the same as those applied to the Company's audited consolidated financial statements for the year ended December 31, 2024.

## 4. Digital Currencies and Revenues

The digital currency balances and changes during the six months ended June 30, 2025 are as follows:

	<b>BTC Units</b>	<b>Amount (\$)</b>
<b>Bitcoin balance as at December 31, 2023</b>	<b>0.86</b>	<b>47,429</b>
Bitcoin acquired in business combination	44.40	4,029,042
Bitcoin earned	37.89	3,851,629
Bitcoin earned in profit-sharing arrangement	2.33	171,570
Bitcoin exchanged for cash and services	(37.38)	(3,611,462)
Realized gain on sale of bitcoin	–	250,549
Change in unrealized gain on revaluation of digital currencies	–	1,451,423
Unrealized translation adjustment	–	264,803
<b>Bitcoin balance as at December 31, 2024</b>	<b>48.10</b>	<b>6,454,983</b>
Bitcoin earned	35.55	4,797,361
Bitcoin paid in profit-sharing fee arrangement	(0.87)	(116,668)
Bitcoin exchanged for cash and services	(31.38)	(4,277,791)
Bitcoin exchanged for other digital currency	(0.27)	(35,844)
Bitcoin pledged as collateral	(50.55)	(5,998,827)
Realized gain on sale of bitcoin	–	177,981
Change in unrealized gain on revaluation of digital currencies	–	(887,837)
Unrealized translation adjustment	–	(28,378)
<b>Bitcoin balance as at June 30, 2025</b>	<b>0.58</b>	<b>84,980</b>

## Cathedral Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

	<b>Tether Units</b>	<b>Amount (\$)</b>
<b>Tether balance as at December 31, 2024</b>	<b>1,002.13</b>	<b>1,442</b>
Tether received as payment in arrangements with customers	2,511,145.65	3,551,549
Tether exchanged for cash and services	(3,556,401.95)	(5,051,950)
Tether exchanged for other digital currency	24,975.02	35,844
Tether purchased with cash	20,465.26	29,367
Tether received from sale of discontinued operation	1,000,000.00	1,435,200
Realized gain on sale of tether	0.01	208
Change in unrealized gain on revaluation of digital currencies	–	2
Unrealized translation adjustment	–	(43)
<b>Tether balance as at June 30, 2025</b>	<b>1,186.11</b>	<b>1,619</b>

	<b>USD Coin Units</b>	<b>Amount (\$)</b>
<b>USD Coin balance as at December 31, 2024</b>	<b>–</b>	<b>–</b>
USD Coin purchased with cash	799,272.58	1,147,116
USD Coin exchanged for cash	(799,272.58)	(1,147,116)
Realized gain/(loss) on sale of USD Coin	–	–
Unrealized revaluation gain/(loss)	–	–
Unrealized translation adjustment	–	–
<b>USD Coin balance as at June 30, 2025</b>	<b>–</b>	<b>–</b>

	<b>BTC Units</b>	<b>Amount (\$)</b>
<b>Restricted bitcoin balance as at December 31, 2024</b>	<b>–</b>	<b>–</b>
Bitcoin pledged as collateral (Note 12)	50.55	5,998,827
Change in unrealized gain on revaluation of digital currencies	–	1,711,768
Unrealized translation adjustment	–	(320,275)
<b>Restricted bitcoin balance as at June 30, 2025</b>	<b>50.55</b>	<b>7,390,320</b>

#### Mining Revenue

Digital currencies are recorded at their fair value on the date they are received as revenues and are revalued to their fair value at each reporting date. Fair value is determined by using the daily price of bitcoin from Coin Metrics.

For the three and six months ended June 30, 2025, the Company generated mining revenues of \$2,191,667 and \$4,797,373, respectively (2024 - \$nil and \$nil, respectively).

#### Hosting Revenue

During the three and six months ended June 30, 2025, the Company generated hosting revenue of \$2,991,673 and \$6,889,257, respectively (2024 - \$5,696,334 and \$11,562,513, respectively). Two customers accounted for approximately 90% of total hosting revenue during the six months ended June 30, 2025 (2024 – three accounted for approximately 93% of total revenues of the Company with the following percentages representing their respective shares: 68%, 13% and 12%).

The Company receives monthly prepayments and short-term or long-term deposits from various customers according to the terms of hosting arrangements. The monthly prepayments are classified as contract liabilities, and deposits are classified as customer liabilities in the condensed consolidated interim statements of financial position.

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

#### 5. Prepaid Expenses

		June 30, 2025		December 31, 2024
General and administrative	\$	145,960	\$	—
Hosting business utilities		836,310		1,257,493
<b>Total prepaid expenses</b>	<b>\$</b>	<b>982,270</b>	<b>\$</b>	<b>1,257,493</b>

#### 6. Deposits

		June 30, 2025		December 31, 2024
Utility deposits	\$	2,048,369	\$	2,160,374
Lease deposits		292,779		313,033
Bitcoin mining deposits		140,620		148,309
<b>Total deposits</b>	<b>\$</b>	<b>2,481,768</b>	<b>\$</b>	<b>2,621,716</b>
Less: current portion of deposits		140,620		148,309
<b>Non-current portion of deposits</b>	<b>\$</b>	<b>2,341,148</b>	<b>\$</b>	<b>2,473,407</b>

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

#### 7. Property and Equipment

	Infrastructure		Mining equipment		Construction-in-progress		Land		Total
Cost									
Balance, December 31, 2023	\$	3,051,267	\$	780,334	\$	539,862	\$	136,658	\$ 4,508,121
Additions from business combination		1,917,194		3,069,626		–		–	4,986,820
Additions		–		731,146		–		–	731,146
Designated as assets held for sale		(74,287)		–		(546,229)		–	(620,516)
Translation adjustment		350,890		245,372		6,367		12,016	614,645
Balance, December 31, 2024	\$	5,245,064	\$	4,826,478	\$	–	\$	148,674	\$ 10,220,216
Translation adjustment		(460,505)		(2,479,581)		–		(7,708)	(2,947,794)
Balance, June 30, 2025	\$	4,784,559	\$	2,346,897	\$	–	\$	140,966	\$ 7,272,422
Accumulated depreciation and impairment									
Balance, December 31, 2023	\$	325,518	\$	122,341	\$	–	\$	–	\$ 447,859
Additions		911,895		1,294,455		–		–	2,206,350
Translation adjustment		90,463		66,460		–		–	156,923
Balance, December 31, 2024	\$	1,327,876	\$	1,483,256	\$	–	\$	–	\$ 2,811,132
Additions		795,183		1,262,518		–		–	2,057,701
Translation adjustment		(299,842)		(2,348,612)		–		–	(2,648,454)
Balance, June 30, 2025	\$	1,823,217	\$	397,162	\$	–	\$	–	\$ 2,220,379
Carrying amount									
Balance, December 31, 2023	\$	2,725,749	\$	657,993	\$	539,862	\$	136,658	\$ 4,060,262
Balance, December 31, 2024	\$	3,917,188	\$	3,343,222	\$	–	\$	148,674	\$ 7,409,084
Balance, June 30, 2025	\$	2,961,342	\$	1,949,735	\$	–	\$	140,966	\$ 5,052,043

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

#### 8. Right-of-Use Assets and Lease Liabilities

On March 1, 2023, and July 26, 2023, the Company entered into two agreements to lease building property in Kentucky state. The building properties are used by the Company to provide hosting services to arms-length bitcoin mining customers. The leases have an initial term of 10 years and 6 years, respectively, and the Company will make lease payments of US\$10,000 and US\$1,000 per month, respectively. The Company used 20%, its estimated incremental borrowing rate, to calculate the present value of the lease payments on initial measurement.

On July 23, 2024, as part of the business combination with Cathedra (Note 2), the Company acquired right-of-use assets and lease liabilities comprising two building property lease agreements (the “CBIT leases”) with remaining lease terms of 10 and 18 months. The Company will make lease payments on the CBIT leases of US\$103,680 and US\$11,200 per month, respectively.

Effective August 1, 2024, the Company and the lessor amended one of the CBIT leases, changing the monthly payments from US\$103,680 to an amount based on electricity consumption, which effectively remained fixed. The term of the lease was also extended by five months to August 31, 2025. As a result of the lease amendments, the Company re-measured its lease liability using interest an interest rate of 20%, the Company’s estimated incremental borrowing rate at the time of re-measurement, and a corresponding increase to right-of-use asset.

<b>Right-of-use asset</b>	<b>Building Properties</b>	
<b>Cost</b>		
<b>Balance, December 31, 2023</b>	<b>\$</b>	<b>737,903</b>
Additions from business combination (Note 2)		1,510,745
Re-measurement of right-of-use asset		235,663
Translation adjustment		143,656
<b>Balance, December 31, 2024</b>	<b>\$</b>	<b>2,627,967</b>
Translation adjustment		(136,246)
<b>Balance, June 30, 2025</b>	<b>\$</b>	<b>2,491,721</b>
<b>Depreciation</b>		
<b>Balance, January 1, 2024</b>	<b>\$</b>	<b>61,203</b>
Depreciation charge in the year		821,529
Translation adjustment		39,372
<b>Balance, December 31, 2024</b>	<b>\$</b>	<b>922,104</b>
Depreciation charge in the period		789,187
Translation adjustment		(86,799)
<b>Balance, June 30, 2025</b>	<b>\$</b>	<b>1,624,492</b>
<b>Net book value</b>		
Balance, December 31, 2024	\$	1,705,863
<b>Balance, June 30, 2025</b>	<b>\$</b>	<b>867,229</b>

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

As of June 30, 2025, the Company is committed to minimum lease payments as follows:

		June 30, 2025
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year	\$	503,700
One to five years		705,343
More than five years		422,933
<b>Total undiscounted lease liabilities</b>	<b>\$</b>	<b>1,631,976</b>
<b>Lease liabilities</b>		
Current	\$	365,893
Non-current	\$	634,438

During the three and six months ended June 30, 2025, the Company recognized total interest expense of \$59,199 and \$137,864 respectively (June 30, 2024 - \$36,480 and \$73,416 respectively) in connection with its lease liabilities.

### 9. Assets Classified as Held for Sale and Discontinued Operation

The Company formed T Tech in November 2023, initially holding a 100% interest. On January 10, 2024, it reorganized and gave up majority interest in exchange for contribution promises.

Subsequently the Company together with other members of T Tech decided to sell T Tech. The Board of Managers, consisting of Cathedra Bitcoin Inc.'s majority shareholders, approved the sale and assets before December 31, 2024. Accordingly, the assets and liabilities directly associated with those assets were classified as held for sale as of December 31, 2024.

The Company received partial consideration from the sale of T Tech during the six months ended June 30, 2025. The outstanding consideration receivable is contingent on fulfilling a final condition of the sale upon which the resulting gain or loss from de-recognition of T Tech will be recognized. T Tech was de-consolidated effective March 1, 2025 subsequent to receipt of a portion of the consideration and takeover by the buyer, accordingly assets classified as held for sale, liabilities directly associated with those assets and non-controlling interest were de-recognized.

The results of T Tech's operations for the six months ended June 30, 2025 and 2024 are as follows:

<b>Six months ended:</b>		<b>June 30, 2025</b>		<b>June 30, 2024</b>
Revenues	\$	1,318,623	\$	1,558,551
Cost of revenues		1,963,286		1,379,773
Operating expenses		121,411		10,866
Operating loss	\$	766,074	\$	(167,912)
Other income (expense)		(118,590)		17,128
Exchange differences on translation of foreign operations reclassified to profit or loss		1,175,085		–
Income/(loss) before tax from discontinued operation	\$	290,421	\$	185,040
Tax expense		–		–
<b>Income from discontinued operation</b>	<b>\$</b>	<b>290,421</b>	<b>\$</b>	<b>185,040</b>

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

The net cash flows generated by T Tech for the six months ended June 30, 2025 and 2024 are as follows:

<b>Six months ended:</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Operating	(884,664)	(1,656,103)
Investing	–	(3,300,887)
Financing	–	4,976,339
Effect of foreign exchange rate fluctuation	–	(15,000)
<b>Net cash inflow/(outflow)</b>	<b>\$ (884,664)</b>	<b>\$ 4,349</b>

## 10. Investments

Initial valuation of investments is based on the acquisition cost, which approximates the fair value. Subsequent valuations reflect asset appraisals, as well as market transaction data, such as financing rounds. The Company's holdings in private companies are generally valued utilizing net asset values. As of June 30, 2025, Cathedra holds the following investments without exercise of significant influence over them:

### *Low Time Preference Fund II, LLC*

On November 12, 2021, Cathedra subscribed for limited liability company interests in Low Time Preference Fund II, LLC, for a total value of \$312,925 (US\$250,000). As of June 30, 2025, the fair value of this investment is \$403,091 (December 31, 2024 - \$404,327) with unrealized gain of \$nil and \$20,788 recognized for the three and six months ended June 30, respectively, as reported in the condensed consolidated interim statement of income or loss.

### *Silvermoon Inc.*

On May 5, 2022, Cathedra received 35,000,000 common shares of Silvermoon Inc. ("Silvermoon") through a non-arm's length share exchange for its full ownership of The Good Shepherd Land and Livestock Company Limited, a UK based legal entity. As of December 31, 2024 and June 30, 2025, these shares represented approximately 21.6% of Silvermoon's outstanding shares. Since Cathedra did not exercise significant influence on these dates, the investment is classified and accounted for as FVTPL. On June 30, 2025, the investment's fair value was \$486,985 (December 31, 2024 - \$512,156) with unrealized losses of \$nil and \$25,171 recognized for the three and six months ended June 30, 2025, respectively, recognized in the condensed consolidated interim statement of income or loss. Fair value was based on Silvermoon's underlying assets.

## 11. Trade Payables and Accrued Liabilities

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Trade payables	\$ 1,065,937	\$ 889,736
Accrued liabilities	1,283,540	1,588,476
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 2,349,477</b>	<b>\$ 2,478,212</b>

## 12. Loans and Borrowings

### *Convertible loan*

On March 19, 2025, the Company restructured its outstanding debt whereby the convertible loan's principal amount was extinguished through repayment of the outstanding principal with \$4,586,982 plus accrued interest. In addition, the holder of the convertible loan agreed to surrender 10,897,000 share purchase warrants of the Company for cancellation. The balance as of June 30, 2025 and the change for the six months then ended is as follows:

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

<b>Balance, December 31, 2024</b>	<b>\$</b>	<b>5,134,121</b>
Accretion		190,869
Repayment of interest		(44,596)
Repayment of principal		(4,586,983)
Gain from debt settlement		(693,411)
<b>Balance, June 30, 2025</b>	<b>\$</b>	<b>-</b>

#### Term loan

Concurrently, the Company entered into a new term loan of US\$2,494,693 (\$3,589,364 equivalent) to partially repay the outstanding principal amount of the convertible loan. The loan is secured by approximately 50 of the Company's bitcoin, carries interest at a rate of 13% per annum, payable monthly; and is interest-only until maturity on March 18, 2026. The Company prepaid this loan in full in July 2025.

<b>Balance, December 31, 2024</b>	<b>\$</b>	<b>-</b>
Proceeds, net of deferred finance cost		3,564,168
Amortization of deferred financing cost		13,146
Translation adjustment		(147,701)
<b>Balance, June 30, 2025</b>	<b>\$</b>	<b>3,416,467</b>

At inception, the Company recognized deferred financing cost of \$54,277, which is amortized over term of the loan. The accrued interest on the term loan as of June 30, 2025 was \$20,528 (December 31, 2024 - \$nil) and is included in the loans and borrowings balance disclosed in the statement of financial position.

### 13. Share Capital

On July 22, 2024, in connection with the business combination the Company altered the articles of the corporation, which was approved by the Company's shareholders at its annual and special meeting of shareholders:

- Changed the name of its common shares to "subordinate voting shares";
- Created a new class of multiple voting shares convertible into 100 subordinate voting shares;
- Added special rights and restrictions to the subordinate voting shares and the multiple voting shares, pursuant to which, among other things, the holders of the multiple voting shares are entitled to 1.52 votes per multiple voting share held. On an "as converted" basis, assuming the conversion of the multiple voting shares to subordinate voting shares, the holders of multiple voting shares will have 1.52 votes per subordinate voting share compared to 1 vote per subordinate voting share by the holders of the subordinate voting shares.

#### Authorized

Unlimited number of subordinate voting shares without par value. Each subordinate voting share entitles the holder to one vote.

Unlimited number of multiple voting shares without par value. Each multiple voting share is convertible into 100 subordinate voting shares and entitles the holder to 1.52 votes.

#### Issued and Outstanding

- On February 7, 2025, the Company issued 97,449 subordinate voting shares for vested RSUs.

#### Post-merger share capital

<b>Multiple voting shares ("MVS")</b>	<b>No.</b>	<b>Amount (\$)</b>
Kungsleden's common shares on the acquisition date	1,000,000	21,578,233
Share exchange ratio (Note 2)	6.253429078	-
MVS issued in exchange for Kungsleden's common shares	6,253,429	21,578,233
<b>Balance, December 31, 2024 and June 30, 2025</b>	<b>6,253,429</b>	<b>21,578,233</b>



## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

<b>Subordinate voting shares ("SVS")</b>	<b>No.</b>	<b>Amount (\$)</b>
Cathedra's common shares on the acquisition date	237,513,935	–
Exchange ratio	1.00	–
SVS of the Resulting Issuer	237,513,935	–
Issued on RSU exercise	1,525,400	138,521
<b>Balance, December 31, 2024</b>	<b>239,039,335</b>	<b>138,521</b>
Issued on RSU exercise	97,449	8,852
<b>Balance, June 30, 2025</b>	<b>239,136,784</b>	<b>147,373</b>

  

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
An equivalent number of SVS based on an a 'if converted' basis (convertible from MVS)	625,342,908	625,342,908
SVS outstanding	239,136,784	147,373
<b>The total SVS, including SVS on an a 'if converted' basis</b>	<b>864,479,692</b>	<b>625,490,281</b>

#### 14. Reserves

##### *Replacement Awards in Business Combination*

The stock options were fair valued using the Black Scholes option pricing model. The weighted average inputs used in the Black Scholes model were as follows:

Share price on business combination date	\$0.10
Exercise price	\$0.50
Risk-free interest rate	3.60%
Expected annualized share volatility	130.00%
Expected dividend yield	0.00%
Expected life (years)	1.95
<b>Fair value of stock option</b>	<b>\$0.03</b>

The share purchase warrants were fair valued using the Black Scholes option pricing model. The weighted average inputs used in the Black Scholes model were as follows:

Share price on business combination date	\$0.10
Exercise price	\$0.94
Risk-free interest rate	3.58%
Expected annualized share volatility	130.00%
Expected dividend yield	0.00%
Expected life (years)	1.97
<b>Fair value of share purchase warrant</b>	<b>\$0.03</b>

The restricted share units were valued using the fair value of SVS of the Company on the issuance date.

##### *Restricted Share Units (RSU)*

On July 22, 2024, the Company established a long-term equity incentive plan (the "LTIP"), which includes a "rolling" option plan of up to 10% of the Company's issued and outstanding SVS and a fixed plan of up to 86,254,193 SVS as RSU.

For the three and six months ended June 30, 2025, the Company recognized share-based compensation of \$75,107 and \$170,941, respectively (2024 - \$nil and \$nil, respectively) attributable to RSUs.

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

A summary of changes in restricted share units outstanding for the six months ended June 30, 2025, follows:

<b>Balance, December 31, 2023</b>	<b>-</b>
Granted as replacement for Cathedra's RSUs	1,716,881
Granted	8,141,544
Exercised	(1,525,400)
Cancelled	(94,032)
<b>Balance, December 31, 2024</b>	<b>8,238,993</b>
Forfeited	(1,356,924)
Exercised	(97,449)
<b>Balance, June 30, 2025</b>	<b>6,784,620</b>

#### Stock Options

A summary of changes in stock options follows:

	<b>Number of stock options</b>	<b>Weighted average exercise price</b>
<b>Balance, December 31, 2023</b>	<b>-</b>	<b>-</b>
Granted as replacement for Cathedra's stock options	3,605,364	0.50
Expired	(100,000)	0.51
<b>Balance, December 31, 2024</b>	<b>3,505,364</b>	<b>0.50</b>
Granted (a)	476,190	0.08
Cancelled	(237,682)	0.48
<b>Balance, June 30, 2025</b>	<b>3,743,872</b>	<b>0.45</b>

(a) On February 1, 2025, the Company granted 476,190 stock options to the newly hired employee. The stock options vest on 12-month anniversary from the grant date.

The stock options were fair valued using the Black Scholes option pricing model. The weighted average inputs used in the Black Scholes model were as follows:

Share price on business combination date	\$0.08
Exercise price	\$0.08
Risk-free interest rate	2.64%
Expected annualized share volatility	117.76%
Expected dividend yield	0.00%
Expected life (years)	3
<b>Fair value of share purchase warrant</b>	<b>\$0.05</b>

The stock options outstanding and exercisable as of June 30, 2025, are as follows:

<b>Exercise price (\$)</b>	<b>Number of stock options outstanding</b>	<b>Weighted average remaining life</b>
0.08	476,190	4.59
0.13	10,000	2.32
0.35	88,841	1.88
0.41	88,841	1.53
0.485	250,000	1.16
0.49	2,000,000	1.17
0.50	30,000	2.64
0.56	650,000	1.24
0.60	150,000	2.64
<b>Outstanding</b>	<b>3,743,872</b>	<b>1.72</b>
<b>Exercisable</b>	<b>3,267,682</b>	<b>1.30</b>

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

The weighted average exercise price of options exercisable as of June 30, 2025, is \$0.50.

For the three and six months ended June 30, 2025, the Company recognized share-based compensation from stock options of \$6,287 and \$10,479, respectively (2024 - \$nil and \$nil, respectively).

#### Warrants

A summary of changes in warrants outstanding for six months ended June 30, 2025 is as follows:

	Number of warrants	Weighted average exercise price
<b>Balance, December 31, 2023</b>	-	-
Issued as replacement for Cathedra's warrants	51,144,882	0.94
<b>Balance, December 31, 2024</b>	<b>51,144,882</b>	<b>0.37</b>
Cancelled (a)(b)	(25,102,000)	0.12
<b>Balance, June 30, 2025</b>	<b>26,042,882</b>	<b>0.61</b>

- (a) In March 2025, the holder of the convertible debenture agreed to surrender 10,897,000 pursuant to the terms of the debt settlement agreement, see additional details in Note 12.
- (b) In May 2025, the Company purchased for cancellation an aggregate of 14,205,000 subordinate voting share purchase warrants for an aggregate amount of US\$75,002 (\$103,430). The warrants had an exercise price of \$0.12.

The warrants outstanding as of June 30, 2025 are as follows:

Exercise price (\$)	Number of warrants outstanding and exercisable	Weighted average remaining life
0.12	11,717,700	1.38
0.54	2,687,501	1.89
0.63	887,682	0.74
0.79	2,687,501	1.89
1.04	2,687,500	1.89
1.29	2,687,499	1.89
1.54	2,687,499	1.89
<b>0.61</b>	<b>26,042,882</b>	<b>1.38</b>

## 15. Related Party Transactions and Balances

#### Key Management Compensation

Key management personnel include those persons with authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer and President ("COO"), Chief Fields Operation and Manufacturing Officer ("CMO"), Chief Technology Officer ("CTO"), and Directors of the Company. CMO and CTO departed the Company in January 2025 and April 2025, respectively.

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

The remuneration of directors and other members of key management personnel during the three and six months ended June 30, 2025 and 2024 are as follows:

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Director fees:	\$ 116,590	\$ -	\$ 194,249	\$ -
Management, consulting and professional fees:				
CEO	60,553	-	133,809	-
COO	60,553	-	123,344	-
CFO	90,354	-	160,684	-
Professional fees:				
Director	2,201	-	5,568	-
Share-based payments:				
CEO	20,727	-	41,454	-
COO	20,727	-	41,454	-
Directors	39,940	-	98,512	-
Wages and salaries:				
CMO	-	-	3,738	-
CTO	25,951	-	70,802	-
<b>Total</b>	<b>\$ 437,596</b>	<b>\$ -</b>	<b>\$ 873,614</b>	<b>\$ -</b>

As of June 30, 2025, the Company has a total due to related parties balance of \$739,895 (December 31, 2024 - \$672,411) to directors and management of the Company. The balances are unsecured, due on demand and bear no interest.

## 16. Financial Instruments and Risk Management

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and commodity price risk.

### Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The financial instruments that represent a potential concentration of credit risk consist primarily of cash and cash equivalents, digital currencies, restricted digital currencies, deposits, and trade receivables. Under certain of our hosting agreements, we are obligated to pay security deposits to the hosting provider at the beginning of the term. If one or more of our hosting providers suffers an adverse credit event, we may be unable to recover part or all of the outstanding deposits. We limit our exposure to credit loss by holding our cash with reputable, well-capitalized financial institutions and performing careful due diligence on potential hosting partners prior to entering into a binding agreement which would require us to pay a security deposit. The carrying amount of financial assets represents the maximum credit exposure for each.

The carrying amount of financial and digital assets represents the maximum credit exposure.

	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 324,631	\$ 101,367
Digital currencies	86,599	6,456,425
Restricted digital currencies	7,390,320	-
Trade receivables	764,829	1,448,900
Deposits	2,481,768	2,621,716
	<b>\$ 11,048,147</b>	<b>\$ 10,628,408</b>

We believe the Company has no significant credit risk other than what is disclosed herein.

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

#### Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations. We manage our liquidity risk by ensuring that we have enough cash to meet our near-term financial liabilities at all times. As at June 30, 2025, we had a working capital of \$620,584 (2024 – working capital of \$14,997,845).

Cash flows related to trade payables and accrued liabilities, customer liabilities and convertible loan included below may occur at different times or amounts. A maturity analysis of our outstanding obligations relating to continuing operations of June 30, 2025 is as follows:

	Undiscounted Contractual Cash Flows				
	Total carrying amount	Contractual cash flows	Less than 1 year	1 – 5 years	More than 5 years
As at June 30, 2025	\$	\$	\$	\$	\$
Trade payables and accrued liabilities	2,349,477	2,349,477	2,349,477	-	-
Due to related parties	739,895	739,895	739,895	-	-
Income tax payable	663,105	663,105	663,105	-	-
Contract liabilities	75,070	75,070	75,070	-	-
Customer liabilities	1,801,591	1,801,591	1,426,252	375,339	-
Lease liabilities	1,000,331	1,631,976	503,700	705,343	422,933
Loans and borrowings	3,436,995	3,436,995	3,436,995	-	-
<b>Total</b>	<b>10,066,464</b>	<b>10,698,109</b>	<b>9,194,494</b>	<b>1,080,682</b>	<b>422,933</b>

#### Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as Bitcoin prices, interest rates, foreign exchange rates and equity prices.

#### Bitcoin Price Volatility

As of June 30, 2025, we held a digital currency balance in bitcoin and Tether (“USDT”) that is subject to market pricing and price volatility. Bitcoin prices are affected by various forces including global supply and demand, interest rates, exchanges rates, inflation or deflation and the political and economic conditions. Further, bitcoin has no underlying backing or contracts to enforce recovery of invested amounts. Our profitability is related to the current and future market price of bitcoin; in addition, we may not be able to liquidate our holdings of bitcoin at our desired price if necessary. Investing in bitcoin is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for such currencies change rapidly and are affected by a variety of factors, including regulation and general economic trends. Bitcoin has a limited history, its fair values have historically been volatile, and the value of our bitcoin holdings could decline rapidly. A decline in the market price of bitcoin could negatively impact our future operations. Historical performance of bitcoin is not indicative of its future performance. During the three and six months ended June 30, 2025, we recorded a loss on revaluation of digital currencies in the amount of \$nil and \$nil, respectively (2024 - \$4,629 and \$4,823, respectively) in the statement of profit or loss and gain from revaluation of digital currencies of \$1,748,399 and \$823,933, respectively (2024 - \$nil and \$nil, respectively) in the statement of other comprehensive income or loss.

We do not hedge our bitcoin holdings, but we actively monitor bitcoin pricing, market volatility and our own liquidity needs to determine an appropriate risk mitigation strategy on a continuous basis.

#### Interest Rate Risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to interest rate risk on the variable rate of interest we earn on bank deposits. The interest rate risk on bank deposits is insignificant, as our

**Cathedra Bitcoin Inc.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**For the three and six months ended June 30, 2025 and 2024**  
*(Expressed in Canadian dollars, unless otherwise noted)*

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deposits are all short-term. The coupon on our outstanding term loan is fixed and therefore has limited exposure to changes in interest rates.

*Foreign Currency Risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. We are exposed to currency risk as we have legal entities domiciled in the United States which hold financial assets in US dollars and bitcoin while our functional currency is the Canadian dollar. We do not hedge our exposure to fluctuations in foreign exchange rates.

If the US dollar had changed against the Canadian dollar by 10% at period end, the Company's net income and comprehensive income would change by approximately \$42,000, resulting from the translation of the US dollar denominated financial instruments.

*Custody Risk*

We hold our digital currencies with a third-party custodian. Our custody strategy is designed to balance security and availability of our digital currency. We continuously monitor our cash and cash equivalents and digital currency holdings with our third-party custodian.

Our current service provider for digital currency custody is an institutional counterparty that is licensed, regulated, and insured. At any time, in excess of 98% of our digital currency holdings (excluding any digital currency that is being traded at that time) is held in a cold-storage, multi-signature, segregated trust account that is titled in the name of one of our US subsidiaries. Prior to onboarding with our current custodian, we performed extensive due diligence, examining the new custodian's internal control procedures to ensure security, availability, integrity, and confidentiality of the custodian's information and systems. Our current custodian maintains SOC 1 Type II and SOC 2 Type II compliance, which we review periodically to ensure the custodian maintains a secure technology infrastructure and that its systems are designed and operating effectively.

*Loss of Access Risk*

The loss of access to the private keys associated with our digital currencies may be irreversible and could adversely affect an investment. An amount of digital currency is spendable only by whoever possesses the private key associated with the address on which the digital currency is held. To the extent a private key is lost, destroyed, or otherwise compromised, and no backup is accessible, we may be unable to access the associated digital currency. As of June 30, 2025, 51.13 bitcoin equivalent to \$7,475,300 is held with our third-party custodians in our name (December 31, 2024 - 48.10 bitcoin equivalent to \$6,454,983).

*Fair Value Hierarchy*

We apply the following fair value hierarchy for financial instruments that are carried at fair value. The hierarchy prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

## Cathedra Bitcoin Inc.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

We hold investments in private companies that are classified as FVTPL and is recorded at fair value using unobservable inputs; it is therefore classified as level 3 within the fair value hierarchy. The net asset value of the private company is used to adjust the investment to fair value.

The carrying value of our trade receivables, due to and from related parties, trade payables and accrued liabilities, contract liabilities, and term loan approximates fair value because of the relatively short periods to maturity of these instruments.

#### 17. Capital Management

Our objective when managing capital is to provide attractive risk-adjusted returns to shareholders while accounting for liquidity needs.

We include equity, comprised of share capital and deficit, in the definition of capital.

Our primary objective with respect to capital management is to ensure that we have sufficient cash resources to fund our ongoing operations and to pursue potential growth opportunities. To secure the additional capital necessary to pursue certain plans, we may attempt to raise additional funds through the issuance of securities.

We monitor capital on the basis of maintaining sufficient liquidity to satisfy our financial obligations.

#### 18. Supplemental Cash Flow Information

Non-cash transactions for the six months ended June 30, 2025, and 2024 are as follows:

For the six months ended June 30:		2025	2024
Subordinate voting shares issued on vesting of RSUs	\$	8,852	-

#### 19. Segment Reporting

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The following table summarizes relevant financial information by the business division, including the results of discontinued operation, all of which are based in the US.

Three months ended June 30, 2025:

June 30, 2025	Bitcoin Mining (\$)	Hosting (\$)	Corporate (\$)	Total (\$)
Revenue	2,191,667	2,991,673	-	5,183,340
Cost of revenue	1,553,870	3,711,954	-	5,265,824
Net income/(loss)	(855,813)	117,952	(3,440,535)	(4,178,396)
Non-current assets	2,384,584	6,651,024	17,735,318	26,770,926

Six months ended June 30, 2025:

June 30, 2025	Bitcoin Mining (\$)	Hosting (\$)	Corporate (\$)	Total (\$)
Revenue	4,797,373	6,889,257	-	11,686,630
Cost of revenue	3,422,542	7,681,136	-	11,103,678
Net income/(loss)	(1,575,296)	793,453	(3,530,298)	(4,312,141)
Non-current assets	2,384,584	6,651,024	17,735,318	26,770,926

The Company operated in one operating segment, which is the hosting business, in the comparative periods.

## **Cathedra Bitcoin Inc.**

### **Notes to Condensed Consolidated Interim Financial Statements**

**For the three and six months ended June 30, 2025 and 2024**

*(Expressed in Canadian dollars, unless otherwise noted)*

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#### **20. Events After Reporting Period**

On July 10, 2025, the Company appointed Joel Block as Chief Executive Officer and Chairman of the Board of Directors. Concurrently, Antonin Scalia (former CEO) and Thomas Armstrong (former President and COO) resigned from their executive and Board roles but will remain as advisors during a transition period.

On July 22, 2025, the Company signed a lease to build a new 15-megawatt (MW) data center to expand the existing 10MW site nearby. Completion is expected by October 2025. This will expand the Company's power capacity by approximately 50%.