



Cathedral

Cathedral Bitcoin Inc.

Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(expressed in Canadian dollars, unless otherwise noted)

Cathedra Bitcoin Inc.
Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2025 and December 31, 2024
(Expressed in Canadian dollars, unless otherwise noted)

As at:	Notes	September 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		\$ 1,761,330	\$ 101,367
Digital currencies	4	1,401,460	6,456,425
Trade receivables		191,103	1,448,900
Prepaid expenses	5	1,571,344	1,257,493
Deposits	6	617,178	148,309
Other assets		389,894	413,776
Assets classified as held for sale	9	-	31,127,752
Total current assets		\$ 5,932,309	\$ 40,954,022
Non-current assets			
Deposits	6	1,929,082	2,473,407
Other non-current assets		755,021	891,918
Property and equipment	7	6,371,292	7,409,084
Right-of-use assets	8	1,317,632	1,705,863
Investments	10	898,289	916,483
Goodwill	2	16,845,242	16,845,242
Total assets		\$ 34,048,867	\$ 71,196,019
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	11	2,620,158	2,478,212
Due to related parties	15,16	13,974	672,411
Income tax payable		676,618	522,299
Contract liabilities		181,918	149,452
Customer liabilities		1,414,576	1,328,644
Decommissioning liability		31,322	32,375
Current portion of lease liabilities	8	123,388	1,132,305
Loans and borrowings	12	-	5,134,121
Liabilities directly associated with assets held for sale	9	-	14,506,358
Total current liabilities		\$ 5,061,954	\$ 25,956,177
Non-current liabilities			
Customer liabilities		339,768	747,053
Lease liabilities	8	1,323,986	695,617
Total liabilities		\$ 6,725,708	\$ 27,398,847
EQUITY			
Share capital	13	22,133,041	21,716,754
Reserves	14	3,375,296	3,534,980
Contributed surplus	15	813,016	-
Accumulated other comprehensive income		2,995,521	5,559
Retained earnings (deficit)		(1,993,715)	3,019,093
Total shareholders' equity		\$ 27,323,159	\$ 28,276,386
Non-controlling interest	9	-	15,520,786
Total liabilities and equity		\$ 34,048,867	\$ 71,196,019

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 November 13, 2025:

“Joel Block” Director

“David Jaques” Director

Cathdra Bitcoin Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

	Note	Three months ended		Nine months ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenues	4	\$ 5,511,929	\$ 5,861,399	\$ 17,198,559	\$ 17,421,183
Cost of revenues					
Operating costs		(3,949,167)	(3,647,268)	(12,147,170)	(11,779,399)
Depreciation	7,8	(1,087,998)	(1,325,398)	(3,993,673)	(1,717,867)
Gross income		\$ 474,764	\$ 888,733	\$ 1,057,716	\$ 3,923,917
Realized gain (loss) on sale of digital currencies	4	(181,699)	(2,022)	(3,510)	2,174
Income before operating expenses		\$ 293,065	\$ 886,711	\$ 1,054,206	\$ 3,926,091
Operating expenses					
Director fees	16	66,932	53,015	261,181	53,015
Management and consulting fees	16	960,914	115,251	1,774,064	161,765
Office and administration		163,058	149,556	906,372	212,100
Professional fees		289,964	547,689	1,020,281	901,431
Salaries and wages	16	41,825	129,151	190,974	129,151
Share-based compensation	14,16	178,254	93,605	359,674	93,605
Travel		28,835	74,377	42,544	74,377
Total operating expenses		\$ (1,729,782)	\$ (1,162,644)	\$ (4,555,090)	\$ (1,625,444)
Operating income (loss)		\$ (1,436,717)	\$ (275,933)	\$ (3,500,884)	\$ 2,300,647
Other income (expenses)					
Foreign exchange gain (loss)		860,972	(984,025)	(1,559,073)	(984,019)
Net finance costs	8,12	(156,254)	(1,546,806)	(644,891)	(1,618,380)
Transaction costs		–	(341,841)	–	(341,841)
Other income		–	–	21,554	–
Other expense		(1,044)	–	(1,044)	–
Revaluation loss on digital currencies		–	(145,799)	–	(145,799)
Gain on debt settlement	12	–	–	693,411	–
Loss on disposal of subsidiary		(51,427)	–	(51,427)	–
Unrealized loss on investment	10	–	–	(4,383)	–
Loss from continuing operations before income taxes		\$ (784,470)	\$ (3,294,404)	\$ (5,046,737)	\$ (789,392)
Current income tax expense		–	(9,044)	(340,295)	(24,753)
Income (loss) from discontinued operation	9	–	(736,699)	290,421	(551,659)
Net loss		\$ (784,470)	\$ (4,040,147)	\$ (5,096,611)	\$ (1,365,804)
Other comprehensive income (loss)					
<i>Items that may be reclassified to income or loss</i>					
Exchange differences on translation of foreign operations		(502,410)	817,805	1,284,619	817,805
Exchange differences on translation of discontinued operation	9	–	(56,458)	(1,875)	127,249
<i>Item that will not be reclassified to income or loss:</i>					
Revaluation gain on digital currencies	4	965,213	–	1,789,146	–
Total comprehensive loss		\$ (321,667)	\$ (3,278,800)	\$ (2,024,721)	\$ (420,750)
Net loss for the period attributable to:					
Shareholders of the Company		(784,470)	(3,487,623)	(5,096,611)	(854,582)
Non-controlling interest	9	–	(552,524)	–	(511,222)
		(784,470)	(4,040,147)	(5,096,611)	(1,365,804)
Total comprehensive loss for the period attributable to:					
Shareholders of the Company		(321,667)	(3,226,480)	(2,022,846)	(36,777)
Non-controlling interest	9	–	(52,320)	(1,875)	(383,973)
		(321,667)	(3,278,800)	(2,024,721)	(420,750)

Cathedral Bitcoin Inc.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss****For the three and nine months ended September 30, 2025 and 2024***(Expressed in Canadian dollars, unless otherwise noted)*

Basic and diluted loss per share	\$	(0.03)	\$	(0.17)	\$	(0.17)	\$	(0.05)
Weighted average number of common shares outstanding - basic		28,846,351		22,871,273		28,907,418		26,880,239
Weighted average number of common shares outstanding - diluted		30,384,396		23,145,906		30,445,463		27,154,872

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 nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

	Share capital	Reserves	Contributed surplus	Accumulated other comprehensive income/(loss)	Retained earnings (deficit)	Shareholders' equity	Non- controlling interest	Total equity
Balance - December 31, 2023	\$ 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	-	-	-	832,008	-	832,008	179,569	1,011,577
Net loss for the period	-	-	-	-	(854,582)	(854,582)	(511,222)	(1,365,804)
Balance - September 30, 2024	\$ 1,278	\$ -	\$ -	\$ 777,601	\$ 1,490,676	\$ 2,269,555	\$ 14,855,199	\$ 17,124,754
Balance - December 31, 2024	\$ 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	-	360,033	-	-	-	360,033	-	360,033
Subordinate voting shares issued on RSU vesting	416,287	(416,287)	-	-	-	-	-	-
Repurchase of share purchase warrants for cancellation	-	(103,430)	-	-	-	(103,430)	-	(103,430)
Shareholder loan forgiveness	-	-	813,016	-	-	813,016	-	813,016
Exchange differences on translation of foreign operations	-	-	-	1,284,619	-	1,284,619	(1,875)	1,282,744
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	-	-	-	1,789,146	-	1,789,146	-	1,789,146
Net income (loss) for the period	-	-	-	-	(5,096,611)	(5,096,611)	271,464	(4,825,147)
Balance - September 30, 2025	\$ 22,133,041	\$ 3,375,296	\$ 813,016	\$ 2,995,521	\$ (1,993,715)	\$ 27,323,159	\$ -	\$ 27,323,159

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)

Contributed Surplus (Note 15)

Cathedra Bitcoin Inc.

Condensed Consolidated Interim Statements of Cash Flows

For the nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

	September 30, 2025	September 30, 2024
For the nine months ended:		
OPERATING ACTIVITIES		
Net loss for the period	\$ (5,096,611)	\$ (1,365,804)
Non-cash items:		
Depreciation	3,993,673	1,717,867
Share-based compensation	360,033	93,605
Net finance costs	644,891	1,636,891
Unrealized loss on investment	4,383	-
Revaluation loss on digital currencies	-	145,799
Loss on disposal of subsidiary	51,427	-
Gain on settlement of debt	(693,411)	-
Foreign exchange	1,243,637	984,019
Changes in non-cash working capital items:		
Digital currencies	(2,973,262)	(1,301,175)
Trade and other receivables	945,246	284,717
Prepaid expenses	(415,111)	(973,697)
Deposits	4,106	754,380
Other assets	10,421	2,211
Trade payables and accrued liabilities	164,006	741,711
Customer liabilities	(217,972)	(1,386,480)
Contract liabilities	-	-
Income tax payable	172,458	(5,331)
Decommissioning liability	-	(45,992)
Net cash generated by (used in) operating activities	\$ (1,802,086)	\$ 1,282,721
INVESTING ACTIVITIES		
Purchase of property and equipment	\$ (1,552,217)	\$ -
Acquisition of business, net of cash and cash equivalents acquired	-	1,429,575
Proceeds from sale of digital currencies, net of fees	9,643,969	1,355,436
Proceeds from sale of discontinued operation	1,435,200	-
Net cash generated by investing activities	\$ 9,526,952	\$ 2,785,011
FINANCING ACTIVITIES		
Payment of lease obligations	\$ (1,253,416)	\$ (604,444)
Advances from (repayment to) related parties	44,960	(2,859,376)
Proceeds from term loan	3,564,168	-
Repayment of term loan	(3,474,841)	-
Repayment of principal and interest on convertible loan	(4,631,579)	-
Repayment of interest on term loan	(199,826)	(50,171)
Repurchase of share purchase warrants for cancellation	(103,430)	-
Net cash used in financing activities	\$ (6,053,964)	\$ (3,513,991)
Effect of foreign exchange rate fluctuation	(10,939)	(6,430)
Increase in cash and cash equivalents	\$ 1,659,963	\$ 547,311
Cash and cash equivalents, beginning of period	\$ 101,367	\$ 122,188
Cash and cash equivalents, end of period	\$ 1,761,330	\$ 669,499
Income tax paid	\$ 177,031	30,084
Interest received	-	18,511

Supplemental cash flow information (Note 19)

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 nine months ended September 30, 2025 and 2024
(Expressed in Canadian dollars, unless otherwise noted)

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.

These condensed consolidated interim financial statements for the three and nine months ended September 30, 2025 and 2024 reflect the 30-to-1 share consolidation effective October 16, 2025.

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 208,447 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 208,447 Multiple Voting Shares issued to the Vendors are convertible into 20,844,700 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: 116,842 stock options, 57,228 restricted share units and 1,704,826 share purchase warrants valued \$1,579,219 exercisable into subordinate voting shares

Cathedra Bitcoin Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

of Cathedra; see Note 16 for details on valuation approach and assumptions used to value replacement awards.

	\$
Consideration:	
Deemed share consideration	22,154,165
Replacement awards	1,579,219
Total consideration	23,733,384
Assets acquired:	
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
Total assets acquired	32,799,952
Liabilities assumed:	
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
Total liabilities assumed	9,066,568
Net assets acquired	23,733,384

3. Material Accounting Policy Information

Basis of Preparation

Statement of Compliance

The Interim Financial Statements as at September 30, 2025, and for the three and nine 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 years 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 November 13, 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 nine months ended September 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:

Entity Name	Place of Business and Operations	Functional Currency	Equity Percentage
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 nine months ended September 30, 2025, see Note 9 for details. HPC Holdings, Buckeye HPC, Buckeye Holdco, and Buckeye Technologies were formed during the nine months ended September 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 nine months ended September 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 years ended December 31, 2024 and 2023.

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 nine months ended September 30, 2025 are as follows:

	BTC Units	Amount (\$)
Bitcoin balance as at December 31, 2023	0.86	47,429
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)	(3,360,913)
Revaluation gain	–	1,451,423
Unrealized translation adjustment	–	264,803
Bitcoin balance as at December 31, 2024	48.10	6,454,983
Bitcoin earned	48.49	6,825,972
Bitcoin exchanged for cash and services	(64.45)	(9,612,910)
Bitcoin exchanged for other digital currency	(2.89)	(449,244)
Bitcoin pledged as collateral	(50.54)	(5,976,307)
Transfer from restricted digital currencies after loan repayment	28.86	4,680,732
Revaluation loss	–	(693,420)
Unrealized translation adjustment	–	(29,691)
Bitcoin balance as at September 30, 2025	7.57	1,200,115

	BTC Units	Amount (\$)
Restricted bitcoin balance as at December 31, 2024	–	–
Bitcoin pledged as collateral	50.54	5,976,307
Bitcoin withheld to settle the principal and accrued interest	(21.63)	(3,521,263)
Transfer to digital currencies after loan repayment	(28.91)	(4,680,732)
Revaluation gain	–	2,482,936
Unrealized translation adjustment	–	(257,248)
Restricted bitcoin balance as at September 30, 2025	–	–

Cathedral Bitcoin Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

	Tether Units	Amount (\$)
Tether balance as at December 31, 2024	1,002.13	1,442
Tether received as payment in arrangements with customers	3,731,406.57	5,228,997
Tether exchanged for cash and services	(5,026,078.80)	(7,078,446)
Tether exchanged for other digital currency	325,627.76	449,244
Tether purchased with cash	112,676.81	156,289
Tether received from sale of discontinued operation	1,000,000.00	1,443,800
Revaluation loss	–	(370)
Unrealized translation adjustment	–	389
Tether balance as at September 30, 2025	144,634.47	201,345

	USD Coin Units	Amount (\$)
USD Coin balance as at December 31, 2024	–	–
USD Coin purchased with cash	799,272.58	1,149,993
USD Coin exchanged for cash and services	(799,272.58)	(1,149,993)
USD Coin balance as at September 30, 2025	–	–

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 nine months ended September 30, 2025, the Company generated mining revenues of \$2,159,955 and \$6,957,328, respectively (2024 - \$1,383,473 and \$1,383,473, respectively).

Hosting Revenue

During the three and nine months ended September 30, 2025, the Company generated hosting revenue of \$3,351,974 and \$10,241,231, respectively (2024 - \$4,477,926 and \$16,037,710, respectively). Two customers accounted for approximately 90% of total hosting revenue during the nine months ended September 30, 2025 (2024 – one customer accounted for approximately 81% and 72% of total hosting revenue of the Company during the three and nine months ended September 30, 2023, respectively).

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 nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

5. Prepaid Expenses

	September 30, 2025	December 31, 2024
General and administrative	\$ 102,395	\$ 260,825
Hosting business utilities	1,468,949	996,668
Total prepaid expenses	\$ 1,571,344	\$ 1,257,493

6. Deposits

	September 30, 2025	December 31, 2024
Utility deposits	\$ 2,090,109	\$ 2,160,374
Lease deposits	312,666	313,033
Bitcoin mining deposits	143,485	148,309
Total deposits	\$ 2,546,260	\$ 2,621,716
Less: current portion of deposits	617,178	148,309
Non-current portion of deposits	\$ 1,929,082	\$ 2,473,407

Cathedra Bitcoin Inc.

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For the three and nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unless otherwise noted)

7. Property and Equipment

	Infrastructure		Mining equipment		Construction-in-progress ¹		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
Additions		–		–		1,970,565		–	1,970,565
Translation adjustment		(183,682)		(1,502,916)		(136,791)		(134)	(1,823,523)
Balance, September 30, 2025	\$	5,061,382	\$	3,323,562	\$	1,833,774	\$	148,540	\$ 10,367,258
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		1,185,837		1,639,716		–		–	2,825,553
Translation adjustment		(180,467)		(1,460,252)		–		–	(1,640,719)
Balance, September 30, 2025	\$	2,333,246	\$	1,662,720	\$	–	\$	–	\$ 3,995,966
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, September 30, 2025	\$	2,728,136	\$	1,660,842	\$	1,833,774	\$	148,540	\$ 6,371,292

(1) During the three and nine months ended September 30, 2025, the Company incurred costs to construct a new data center, which was still under construction as of September 30, 2025 and not available for use.

Cathedra Bitcoin Inc.

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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 (ROU) 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 lease term was extended by five months, making the new end date August 31, 2025; after this, the lease converted to a month-to-month agreement. 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.

On July 22, 2025, the Company entered into a new agreement to lease the property located in Franklin, Kentucky. The lease expires on July 31, 2025. The ROU asset and corresponding lease liability were measured using an interest rate of 20%, the Company's estimated incremental borrowing rate, to calculate the present value of the lease payments on initial measurement.

Right-of-use asset	Building Properties	
Cost		
Balance, December 31, 2023	\$	737,903
Additions from business combination (Note 2)		1,510,745
Re-measurement of right-of-use asset		235,663
Translation adjustment		143,656
Balance, December 31, 2024	\$	2,627,967
Additions		705,542
Translation adjustment		(70,674)
Balance, September 30, 2025	\$	3,262,835
Depreciation		
Balance, January 1, 2024	\$	61,203
Depreciation charge in the year		821,529
Translation adjustment		39,372
Balance, December 31, 2024	\$	922,104
Depreciation charge in the period		1,058,212
Translation adjustment		(35,113)
Balance, September 30, 2025	\$	1,945,203
Net book value		
Balance, December 31, 2024	\$	1,705,863
Balance, September 30, 2025	\$	1,317,632

For the three and nine months ended September 30, 2025, the Company recognized depreciation expense of \$289,008 and \$1,058,212, respectively (three and nine months ended September 30, 2024 - \$438,532 and \$477,078, respectively).

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Notes to Condensed Consolidated Interim Financial Statements

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

	September 30, 2025		December 31, 2024	
Maturity analysis – contractual undiscounted cash flows				
Less than one year	\$	397,584	\$	1,347,386
One to five years		1,383,747		752,545
More than five years		1,197,206		532,393
Total undiscounted lease liabilities	\$	2,978,537	\$	2,632,324
Lease liabilities	\$	1,447,374	\$	1,827,922
Current	\$	123,388	\$	1,132,305
Non-current	\$	1,323,986	\$	695,617

During the three and nine months ended September 30, 2025, the Company recognized total interest expense of \$62,856 and \$198,213 respectively (three and nine months ended September 30, 2024 - \$96,467 and \$169,155 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 nine months ended September 30, 2025. The Company fulfilled the final condition of the sale in September 2025 and recognized a loss on disposal of subsidiary of \$51,427. 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 nine months ended September 30, 2025 and 2024 are as follows:

	September 30, 2025		September 30, 2024	
Nine months ended:				
Revenues	\$	1,318,623	\$	3,167,626
Cost of revenues		1,963,286		3,575,618
Operating expenses		121,411		48,172
Operating loss	\$	(766,074)	\$	(456,164)
Other income (expense)		(118,590)		(95,495)
Exchange differences on translation of foreign operations reclassified to profit or loss		1,175,085		–
Income (loss) before tax from discontinued operation	\$	290,421	\$	(551,659)
Tax expense		–		–
Income (loss) from discontinued operation	\$	290,421	\$	(551,659)

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

	September 30, 2025	September 30, 2024
Nine months ended:		
Operating	(884,664)	15,059,044
Investing	–	(5,189,178)
Financing	–	(9,862,397)
Effect of foreign exchange rate fluctuation	–	(5,000)
Net cash inflow/(outflow)	\$ (884,664)	\$ 2,469

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 September 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 September 30, 2025, the fair value of this investment is \$411,304 (December 31, 2024 - \$404,327) with unrealized gain of \$nil and \$20,788 recognized for the three and nine months ended September 30, 2025, respectively, as reported in the condensed consolidated interim statement of 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 September 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 September 30, 2025, the investment's fair value was \$486,985 (December 31, 2024 - \$512,156) with unrealized loss of \$nil and \$25,171 recognized for the three and nine months ended September 30, 2025, respectively, recognized in the condensed consolidated interim statement of loss. Fair value was based on Silvermoon's underlying assets.

11. Trade Payables and Accrued Liabilities

	September 30, 2025	December 31, 2024
Trade payables	\$ 1,209,117	\$ 889,736
Accrued liabilities	1,411,041	1,588,476
Total trade payables and accrued liabilities	\$ 2,620,158	\$ 2,478,212

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 363,233 share purchase warrants of the Company for cancellation. The balance as of September 30, 2025 and the change for the nine months then ended is as follows:

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

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.

Balance, December 31, 2024	\$	-
Proceeds, net of deferred finance cost		3,564,168
Amortization of deferred financing cost		53,143
Repayment		(3,483,199)
Translation adjustment		(134,112)
Balance, September 30, 2025	\$	-

At inception, the Company recognized deferred financing cost of \$53,143, which was fully amortized over term of the loan. The Company paid \$200,856 in term loan interest.

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.

These condensed consolidated interim financial statements for the three and nine months ended September 30, 2025 and 2024 reflect the 30-to-1 share consolidation effective October 16, 2025.

Issued and Outstanding

- On February 7, 2025, the Company issued 3,248 subordinate voting shares for vested RSUs.
- On July 31, 2025, the Company issued 135,690 subordinate voting shares for vested RSUs.

Cathedra Bitcoin Inc.

Notes to Condensed Consolidated Interim Financial Statements

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Post-merger share capital

Multiple voting shares ("MVS")	No.	Amount (\$)
Kungsleden's common shares on the acquisition date	33,333	1,278
Share exchange ratio (Note 2)	6.253429078	–
MVS issued in exchange for Kungsleden's common shares	208,447	21,578,233
Balance, December 31, 2024 and September 30, 2025	208,447	21,578,233

Subordinate voting shares ("SVS")	No.	Amount (\$)
Cathedra's common shares on the acquisition date	7,917,118	–
Exchange ratio	1.00	–
SVS of the Resulting Issuer	7,917,118	–
Issued on RSU exercise	50,846	138,521
Balance, December 31, 2024	7,967,964	138,521
Issued on RSU exercise	138,938	416,287
Balance, September 30, 2025	8,106,902	554,808

	September 30, 2025	December 31, 2024
Total share capital balance	22,133,041	21,716,754

	September 30, 2025	December 31, 2024
An equivalent number of SVS based on an a 'if converted' basis (convertible from MVS)	20,844,700	20,844,700
SVS outstanding	8,106,902	7,967,964
The total SVS, including SVS on an a 'if converted' basis	28,951,602	28,812,664

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	\$3.00
Exercise price	\$15.00
Risk-free interest rate	3.60%
Expected annualized share volatility	130.00%
Expected dividend yield	0.00%
Expected life (years)	1.95
Fair value of stock option	\$0.9

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	\$3.00
Exercise price	\$28.20
Risk-free interest rate	3.58%
Expected annualized share volatility	130.00%
Expected dividend yield	0.00%
Expected life (years)	1.97
Fair value of share purchase warrant	\$0.9

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

Restricted Share Units (RSU)

Cathedra Bitcoin Inc.

Notes to Condensed Consolidated Interim Financial Statements

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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 7,875,139 SVS as RSU.

For the three and nine months ended September 30, 2025, the Company recognized share-based compensation of \$172,327 and \$343,267, respectively (2024 - \$93,605 and \$93,605, respectively) attributable to RSUs.

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

Balance, December 31, 2023	-
Granted as replacement for Cathedra's RSUs	57,229
Granted	271,380
Cancelled/Forfeited	(3,134)
Exercised	(50,846)
Balance, December 31, 2024	274,629
Granted (a)	1,447,584
Cancelled/Forfeited	(45,230)
Exercised	(138,938)
Balance, September 30, 2025	1,538,045

(a) On September 29, 2025, the Company granted 1,447,584 RSUs to the employee of the Company. The award vests in three equal annual installments on each of the first, second, and third anniversaries of the grant date, subject to accelerated vesting upon a Change of Control.

Stock Options

A summary of changes in stock options follows:

	Number of stock options	Weighted average exercise price, \$
Balance, December 31, 2023	-	-
Granted as replacement for Cathedra's stock options	120,175	15.00
Expired	(3,333)	15.30
Balance, December 31, 2024	116,842	15.00
Granted (a)	15,873	2.25
Cancelled	(7,922)	14.33
Balance, September 30, 2025	124,793	13.42

(a) On February 1, 2025, the Company granted 15,873 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	\$2.25
Exercise price	\$2.25
Risk-free interest rate	2.64%
Expected annualized share volatility	117.76%
Expected dividend yield	0.00%
Expected life (years)	3
Fair value of stock option	\$1.58

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

Exercise price (\$)	Number of stock options outstanding	Weighted average remaining life
2.25	15,873	4.34
3.90	333	2.07
10.50	2,961	1.63
12.30	2,961	1.28
14.550	8,333	0.91
14.70	66,666	0.92
15.00	1,000	2.39
16.80	21,666	0.98
18.00	5,000	2.39
Outstanding	124,793	1.46
Exercisable	108,920	1.05

The weighted average exercise price of options exercisable as of September 30, 2025 is \$15.05.

For the three and nine months ended September 30, 2025, the Company recognized share-based compensation from stock options of \$6,287 and \$16,766, respectively (2024 - \$nil and \$nil, respectively).

Warrants

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

	Number of warrants	Weighted average exercise price
Balance, December 31, 2023	-	-
Issued as replacement for Cathedra's warrants	1,704,822	28.20
Balance, December 31, 2024	1,704,822	11.10
Cancelled (a)(b)	(836,733)	3.60
Balance, September 30, 2025	868,089	18.36

- (a) In March 2025, the holder of the convertible debenture agreed to surrender 363,233 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 473,500 subordinate voting share purchase warrants for an aggregate amount of US\$75,002 (\$103,430). The warrants had an exercise price of \$3.60.

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

Exercise price (\$)	Number of warrants outstanding	Weighted average remaining life
3.60	390,590	1.13
16.20	89,582	1.64
18.90	29,589	0.48
23.70	89,582	1.64
31.20	89,582	1.64
38.70	89,582	1.64
46.20	89,582	1.64
18.36	868,089	1.13

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15. Contributed Surplus

On September 30, 2025, the Company's shareholders agreed to forgive \$813,016 of shareholder debt, which was recognized as a capital contribution within contributed surplus in the consolidated statement of financial position.

16. 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. Former CEO and COO of the Company departed in July 2025, the new CEO was appointed immediately after the departure of the former CEO.

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

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Director fees:	\$ 66,932	\$ 53,015	\$ 261,181	\$ 53,015
Management, consulting and professional fees:				
CEO	371,377	50,442	505,185	50,442
COO	255,687	-	379,030	-
CFO	57,316	42,047	218,000	42,047
CAO	34,432	-	34,432	-
Director	2,201	-	5,568	-
Transaction costs:				
CEO	-	136,407	-	136,407
COO	-	136,407	-	136,407
Directors	-	69,027	-	69,027
Share-based payments:				
CEO	77,790	15,601	119,243	15,601
COO	57,885	15,601	99,339	15,601
CMO	-	7,800	-	7,800
CTO	-	7,800	10,363	7,800
Directors	36,652	46,803	161,013	46,803
Wages and salaries:				
CEO	8,264	-	8,264	-
COO	-	41,624	-	41,624
CMO	-	15,126	3,738	15,126
CTO	-	30,251	70,802	30,251
Total	\$ 968,536	\$ 667,951	\$ 1,876,158	\$ 667,951

As of September 30, 2025, the Company has a total due to related parties balance of \$13,974 (December 31, 2024 - \$672,411) to directors and management of the Company. The balances are unsecured, due on demand and bear no interest.

17. 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.

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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, 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.

	September 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 1,761,330	\$ 101,367
Digital currencies	1,401,460	6,456,425
Trade receivables	191,103	1,448,900
Deposits	2,546,260	2,621,716
	\$ 5,900,153	\$ 10,628,408

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

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 September 30, 2025, we had a working capital of \$870,355 (2024 – working capital of \$14,997,845).

Cash flows related to trade payables and accrued liabilities, due to related parties, income tax payable, contract liabilities, customer liabilities and lease liabilities included below may occur at different times or amounts. A maturity analysis of our outstanding obligations relating to continuing operations as of September 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 September 30, 2025	\$	\$	\$	\$	\$
Trade payables and accrued liabilities	2,620,158	2,620,158	2,620,158	-	-
Due to related parties	13,974	13,974	13,974	-	-
Contract liabilities	181,918	181,918	181,918	-	-
Customer liabilities	1,754,344	1,754,344	1,414,576	339,768	-
Lease liabilities	1,447,374	2,978,537	397,584	1,383,747	1,197,206
Total	6,017,768	7,548,931	4,628,210	1,723,515	1,197,206

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.

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Bitcoin Price Volatility

As of September 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 nine months ended September 30, 2025, we recorded a loss on revaluation of digital currencies in the amount of \$nil and \$nil, respectively (2024 - \$145,799 and \$145,799, respectively) in the statement of income or loss and gain from revaluation of digital currencies of \$965,213 and \$1,789,146, 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 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 \$162,000, 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.

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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 September 30, 2025, 7.57 bitcoin equivalent to \$1,200,115 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.

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 related parties, deposits, trade payables and accrued liabilities, deposits, contract liabilities, customer liabilities, and loans and borrowings approximates fair value because of the relatively short periods to maturity of these instruments and the low credit risk.

18. 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.

19. Supplemental Cash Flow Information

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

For the nine months ended September 30:	2025	2024
Right-of-use asset and lease liability recognized at inception	\$ 705,542	\$ -
Subordinate voting shares issued on vesting of RSUs	416,287	56,027
Property and equipment contribution by the shareholder	-	724,579

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(Expressed in Canadian dollars, unless otherwise noted)

20. 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 September 30, 2025 and 2024:

	Bitcoin Mining	Hosting	Corporate	Total
September 30, 2025	(\$)	(\$)	(\$)	(\$)
Revenue	2,159,955	3,351,974	-	5,511,929
Cost of revenue	1,426,167	3,610,998	-	5,037,165
Net income/(loss)	(1,488,535)	549,114	154,951	(784,470)
Non-current assets	18,387,698	9,304,263	898,290	28,590,251

	Bitcoin Mining	Hosting	Corporate	Total
September 30, 2024	(\$)	(\$)	(\$)	(\$)
Revenue	1,383,473	4,477,926	-	5,861,399
Cost of sales	1,723,577	3,249,089	-	4,972,666
Net income/(loss)	(1,058,269)	966,772	(3,948,650)	(4,040,147)
Non-current assets	22,790,209	7,165,781	905,814	30,861,804

Nine months ended September 30, 2025:

	Bitcoin Mining	Hosting	Corporate	Total
September 30, 2025	(\$)	(\$)	(\$)	(\$)
Revenue	6,957,328	10,241,231	-	17,198,559
Cost of revenue	4,848,709	11,292,134	-	16,140,843
Net income/(loss)	(3,063,831)	1,342,567	(3,375,347)	(5,096,611)
Non-current assets	18,387,698	9,304,263	898,290	28,590,251

	Bitcoin Mining	Hosting	Corporate	Total
September 30, 2024	(\$)	(\$)	(\$)	(\$)
Revenue	1,383,473	16,037,710	-	17,421,183
Cost of sales	1,723,577	11,773,689	-	13,497,266
Net income/(loss)	(1,058,269)	2,904,416	(3,211,951)	(1,365,804)
Non-current assets	22,790,209	7,165,781	905,814	30,861,804

21. Events After Reporting Period

In late October 2025, the Company completed the construction of a new 15-megawatt (MW) data center to expand the existing 10MW site nearby.

On October 31, 2025, the Company cancelled its lease on one of the data centers used for proprietary mining operations.