



Cathedra

# Strategic Merger of Cathedra Bitcoin Inc. and Kungsleden Inc.

**Infrastructure for the Digital Economy**

INVESTOR PRESENTATION ■ 7 MARCH 2024 ■ BLOCK HEIGHT: 833,510

## FORWARD LOOKING STATEMENTS

This document and the material contained herein are confidential and are not to be disclosed to the public. This is for information purposes only and may not be reproduced or distributed to any other person or published, in whole or part, for any purpose whatsoever. Certain information contained herein and certain oral statements made are forward-looking and relate to Cathedra Bitcoin Inc.'s ("Cathedra", "we", "us" or "our" and for greater certainty, includes Cathedra as it exists after completion of the proposed transaction with Kungsleden) business strategy, product development, timing of product development, events and courses of action. Statements which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, outlook, expectations or intentions regarding the future including words or phrases such as "anticipate," "objective," "may," "will," "might," "should," "could," "can," "intend," "expect," "believe," "estimate," "predict," "potential," "plan," "is designed to" or similar expressions suggest future outcomes or the negative thereof or similar variations. Forward-looking statements may include, among other things, statements about: our expectations regarding our expenses, sales and operations; our future customer concentration; our future growth strategy and growth rate; completion of the proposed transaction with Kungsleden; Kungsleden business; revenue and capacity projections of the combined company; the expected performance of the combined company; the business operations of the combined company; the expected impact of the transaction and the expected board of directors of the combined company; the expectation to complete a U.S. listing; the pro forma share capital of the resulting issuer; the expected growth of the hosting and bitcoin mining market; and the expected size and growth of the artificial intelligence market. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Cathedra will operate in the future, including the demand for our products, anticipated costs and ability to achieve goals and the price of bitcoin. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Forward-looking statements are subject to known and unknown risks, assumptions, uncertainties and other important factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to, our ability to anticipate the future needs of our customers; our future intellectual property; anticipated trends and challenges in the markets in which we operate; our anticipated cash needs and our estimates regarding our capital requirements and our need for additional financing; the assumption that the proposed transaction with Kungsleden will be completed on the terms anticipated; receipt of the required regulatory, shareholder and third party approvals for the transaction with Kungsleden; the status and impact of new electrical power rates and the status of deliberations by the public utility regulators in the jurisdictions in which we operate; business, economic and capital market conditions; the ability to manage our operating expenses, which may adversely affect our financial condition; our ability to remain competitive as other better financed competitors develop and release competitive products; regulatory uncertainties; market conditions and the demand and pricing for our products; the demand and pricing of bitcoin; security threats, including a loss/theft of Cathedra's bitcoin; our relationships with our customers, distributors and business partners; our ability to successfully define, design and release new products in a timely manner that meet our customers' needs; our ability to attract, retain and motivate qualified personnel; competition in our industry; our ability to maintain technological leadership; the impact of technology changes on our products and industry; our failure to develop new and innovative products; our ability to successfully maintain and enforce our intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of intellectual property litigation that could

materially and adversely affect our business; our ability to manage working capital; and our dependence on key personnel. Cathedra is an early stage company with a short operating history; and it may not actually achieve its plans, projections, or expectations. Important factors that could cause actual results to differ materially from Cathedra's expectations include, deliberations and potential power rate increases by the public utility regulators in the jurisdictions in which we operate which could limit the ability of the company to carry on business on a profitable basis or at all, consumer sentiment towards Cathedra's products and blockchain technology generally, litigation, global economic climate, equipment failures, increase in operating costs, decrease in the price of bitcoin, security threats including a loss/theft of Cathedra's bitcoin, government regulations, loss of key employees and consultants, additional funding requirements, changes in laws, technology failures, competition, and failure of counter-parties to perform their contractual obligations. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Neither we nor any of our representatives make any representation or warranty, express or implied, as to the accuracy, sufficiency or completeness of the information in this presentation. Neither we nor any of our representatives shall have any liability whatsoever, under contract, tort, trust or otherwise, to you or any person resulting from the use of the information in this presentation by you or any of your representatives or for omissions from the information in this presentation.

## FINANCIAL INFORMATION

All financial information included in this document is unaudited. There is a material risk that the audited financial results will differ significantly from the unaudited financial information presented herein. This document also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about prospective results of operations, future net revenue, share capital, cash flows, and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was made as of the date of this document and was provided for the purpose of providing information about management's current expectations and plans relating to the future. Cathedra disclaims any intention or obligation to update or revise any forward looking statements or FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable securities law. Readers are cautioned that the forward looking statements and FOFI contained in this document should not be used for purposes other than for which it is disclosed herein. The forward-looking statements and FOFI contained in this document are expressly qualified by this cautionary statement. Certain information contained herein is based on, or derived from, information provided by independent third-party sources. Cathedra believes that such information is accurate and that the sources from which it has been obtained are reliable. Cathedra cannot guarantee the accuracy of such information, however, and has not independently verified the assumptions on which such information is based. Cathedra does not assume any responsibility for the accuracy or completeness of such information.



# Overview of Proposed Transaction

<b>Proposed transaction<sup>1</sup></b>	<ul style="list-style-type: none"><li>▶ Cathedra Bitcoin Inc. ("Cathedra") and Kungsleden, Inc. ("Kungsleden"), to combine in an all-stock merger transaction</li><li>▶ Cathedra to issue stock to Kungsleden shareholders to acquire 100% of issued and outstanding Kungsleden shares</li><li>▶ Combined company is expected to maintain its Canadian listing on TSX-V and expects to resume Nasdaq listing process imminently upon closing</li></ul>
<b>Exchange ratio</b>	<ul style="list-style-type: none"><li>▶ Equivalent of 817 shares of Cathedra common stock per Kungsleden common share</li><li>▶ Pro forma non-diluted ownership: 22.5% Cathedra shareholders, 77.5% Kungsleden shareholders</li></ul>
<b>Key approvals</b>	<ul style="list-style-type: none"><li>▶ Approval of the transaction by Cathedra shareholders</li><li>▶ Receipt of all regulatory and TSX-V approvals</li></ul>
<b>Timing</b>	<ul style="list-style-type: none"><li>▶ Expected to close in Q2 2024</li></ul>

Note: <sup>1</sup>The completion of the proposed transaction is subject to a number of risks and uncertainties, including shareholder and TSX Venture Exchange approval and there is no guarantee that it will be completed.



# Creating a Leading Developer and Operator of Infrastructure for the Bitcoin-Centered Digital Economy

Combined company would create a scaled, vertically integrated, and diversified public bitcoin mining company, with expected<sup>1</sup>:

(Figures in USD, unless otherwise noted)

**8**

Mining locations  
across the US<sup>2</sup>

**4**

Owned bitcoin  
mining data centers<sup>3</sup>

**94 MW**

Power capacity  
under management<sup>3</sup>

**45 MW**

Owned power  
capacity<sup>4</sup>

**4.8 EH/s**

Expected hash rate  
under management<sup>5</sup>

**\$79m**

Potential market  
capitalization<sup>6</sup>

**\$27m**

Pro forma annualized  
hosting revenue<sup>7</sup>

**\$9m**

Pro forma annualized  
mining revenue<sup>8</sup>

Notes: The above represents the reasonable expectations of management and is subject to a number of risks and uncertainties. There is no guarantee that such results will be achieved. All financial information is unaudited; <sup>1</sup> Figures are estimated as of March 6, 2024; <sup>2</sup> Includes two data centers leased by Cathedra, two third-party data centers which host Cathedra machines, three completed and operating data centers owned by Kungsleden, and one 60-MW data center under construction of which Kungsleden owns 25% (15 MW); <sup>3</sup> Includes total power capacity at two Washington data centers leased by Cathedra (4 MW total), three completed and operating data centers owned by Kungsleden (30 MW total), and one 60-MW data center under construction in North Dakota for which Kungsleden is acting as developer and operator for the full capacity; <sup>4</sup> Represents Kungsleden owned data center capacity that is currently completed (30 MW) or under development (15 MW); <sup>5</sup> Includes third-party hash rate hosted at completed Kungsleden-owned data centers (1.1 EH/s), expected third-party hash rate at one Kungsleden-managed data center under construction in North Dakota (3.3 EH/s), and proprietary Cathedra hash rate (0.4 EH/s); <sup>6</sup> Combined company's implied market capitalization estimate is based on the 5-day VWAP of Cathedra's shares on the TSX Venture Exchange as of the last trading day prior to the date of the announcement of the proposed transaction and the value of Kungsleden's outstanding shares implied by the exchange ratio; <sup>7</sup> Expected pro forma annualized hosting revenue is based on existing agreements with hosting clients and expected revenue from Kungsleden's under-construction 15-MW of capacity in North Dakota assuming a hosting rate of \$72.50/MWh; <sup>8</sup> Expected pro forma annualized mining revenue is based on Cathedra hash rate of 403 PH/s, network hash rate of 570 EH/s, transaction fees equal to 8% of current block subsidy of 6.25 bitcoin per block, and post-Halving block subsidy of 3.125 bitcoin per block.



# Cathedra Bitcoin is Merging with Kungsleden Inc., a Leading Developer of Bitcoin Mining Infrastructure



<b>Year founded</b>	▶ 2017	▶ 2023 <sup>1</sup>
<b>Ownership</b>	▶ Canadian public corporation (TSX-V: CBIT; OTCQB: CBTF)	▶ Privately held Delaware corporation
<b>Team members</b>	▶ 5	▶ 5
<b>Headquarters</b>	▶ Vancouver, British Columbia, Canada	▶ Tennessee, United States
<b>Asset base</b>	<ul style="list-style-type: none"> <li>▶ 4,500 bitcoin mining machines (S19J Pro and S19 XP) capable of producing 0.5 EH/s</li> <li>▶ 5 MW of undeployed modular bitcoin mining data centers</li> </ul>	<ul style="list-style-type: none"> <li>▶ 30 MW of bitcoin mining hosting capacity across 3 data centers in 2 states; 1.1 EH/s of third-party hash rate under management</li> <li>▶ 25% managing interest in 60-MW hosting data center under development, implying 15 MW of owned hosting capacity, 60 MW of managed capacity, and expected 3.3 EH/s under management<sup>2</sup></li> </ul>

Note: All financial information is unaudited; <sup>1</sup> Predecessor entities were founded in 2022 and Kungsleden Inc. was founded in 2023; <sup>2</sup> Kungsleden is a 25% JV partner in a 60-MW data center under development in North Dakota, expected to be completed in phases between March and June 2024. Kungsleden's 25% interest translates to 15 MW of owned power capacity, but Kungsleden is developing and will manage the full 60 MW of power capacity and an expected 3.3 EH/s of third-party hash rate at the site.



# Transaction Rationale

## Thesis Point

Brings a proven, repeatable growth model within bitcoin mining hosting which offers compelling unit economics and return characteristics

Diversifies Cathedra's existing asset base, revenue profile, and geographic footprint

Fortifies Cathedra's balance sheet with Kungsleden's asset base and debt-free capital structure

Provides line-of-sight into large and growing HPC market for AI

Meaningfully enhances Cathedra's existing scale with addition of Kungsleden's portfolio of assets

Strengthens executive leadership and board of directors without contributing unnecessary bloat

## Expected Impact

▶ **Accelerating growth brings the potential to reach scale to compete with large-cap public bitcoin miners, with low-cost development model and growth pipeline**

▶ **Kungsleden's fixed-margin hosting revenue provides downside protection as the 2024 Halving approaches, while Cathedra's proprietary hash rate preserves exposure to bitcoin mining upside**

▶ **Ability to withstand potentially challenging mining conditions following the 2024 Halving and more easily manage existing debt**

▶ **Prospect of further business diversification into potentially lucrative markets that offer additional uncorrelated revenue streams**

▶ **Potential to explore a US listing to raise the profile of the combined company and more readily access US capital markets**

▶ **Adds the right people and skillsets to lead the next phase of Cathedra's growth without jeopardizing operational efficiency**

Note: The above represents the reasonable expectations of management and is subject to a number of risks and uncertainties. There is no guarantee that such results will be achieved. All financial information is unaudited.



# Combined Company Boasts a Diversified Operating Footprint: 8 Total Locations Across 5 US States

## Washington:

161 PH/s of proprietary hash rate (2,078 S19J Pros) at two leased data centers

## North Dakota:

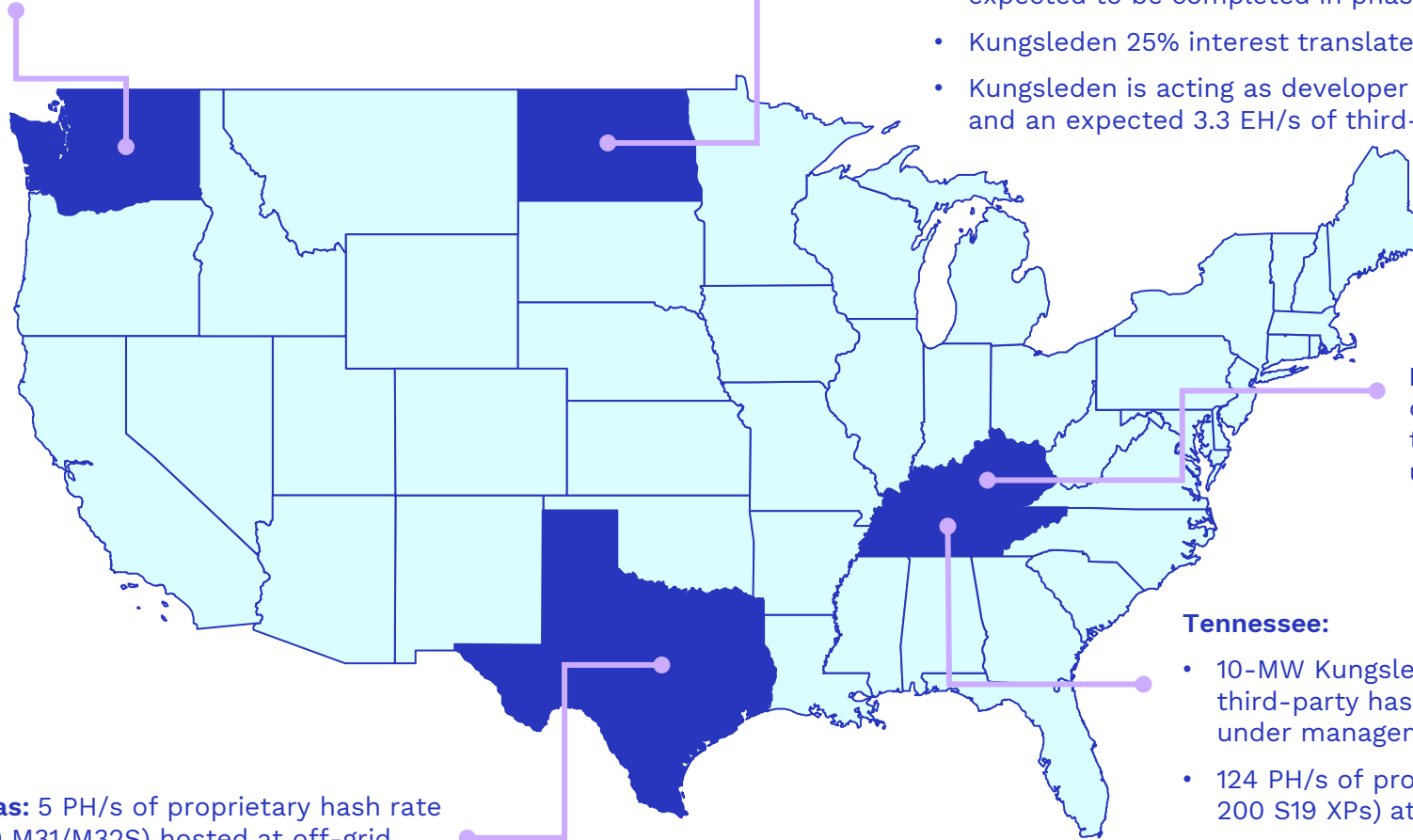
- 60-MW data center under development in which Kungsleden is a 25% JV partner, expected to be completed in phases between March and June 2024
- Kungsleden 25% interest translates to 15 MW of owned power capacity
- Kungsleden is acting as developer and operator for the full 60 MW of power capacity and an expected 3.3 EH/s of third-party hash rate (~3,000 S19 XPs, ~14,000 S21s)

**Kentucky:** Two 10-MW Kungsleden data centers with total 860 PH/s of third-party hash rate (6,104 S19 XPs) under management

## Tennessee:

- 10-MW Kungsleden data center with 276 PH/s of third-party hash rate (1,543 S19J Pros, 300 S19 XPs) under management
- 124 PH/s of proprietary hash rate (957 S19J Pros, 200 S19 XPs) at Kungsleden data center
- 113 PH/s of proprietary hash rate (1,129 S19J Pros) hosted at third-party data center

**Texas:** 5 PH/s of proprietary hash rate (300 M31/M32S) hosted at off-grid deployment



# Kungsleden Portfolio Brings New Assets, Capabilities, and Geographies

Combined company expects to manage 4.8 EH/s of total hash rate and 94 MW of total power capacity

	Kentucky 1	Kentucky 2	North Dakota <sup>1</sup>	Tennessee 1 <sup>2</sup>	Tennessee 2	Texas	Legacy Wash.	New Wash.
<b>Structure</b>	Owned	Owned	Owned <sup>1</sup>	Owned	Hosted	Hosted	Leased	Leased
<b>Hosting</b>	✓	✓	✓	✓	–	–	–	–
<b>Proprietary Mining</b>	–	–	–	✓	✓	✓	✓	✓
<b>Owned Power Capacity</b>	10 MW	10 MW	15 MW	10 MW	–	–	–	–
<b>Managed Power Capacity</b>	10 MW	10 MW	60 MW	10 MW	–	–	2 MW <sup>3</sup>	2 MW <sup>3</sup>
<b>Third-Party Managed Hash Rate</b>	430 PH/s	430 PH/s	3,287 PH/s	276 PH/s	–	–	–	–
<b>Proprietary Hash Rate</b>	–	–	–	124 PH/s	113 PH/s	5 PH/s	76 PH/s	85 PH/s

Note: <sup>1</sup>Kungsleden is a 25% JV partner in a 60-MW data center under development in North Dakota, expected to be completed in phases between March and June 2024. Kungsleden's 25% interest translates to 15 MW of owned power capacity, but Kungsleden is developing and will manage the full 60 MW of power capacity and an expected 3.3 EH/s of third-party hash rate at the site; <sup>2</sup> 3 MW of total 10-MW Tennessee 1 site is occupied by existing Cathedra machines; <sup>3</sup> Includes two sites in Washington that are leased by Cathedra.



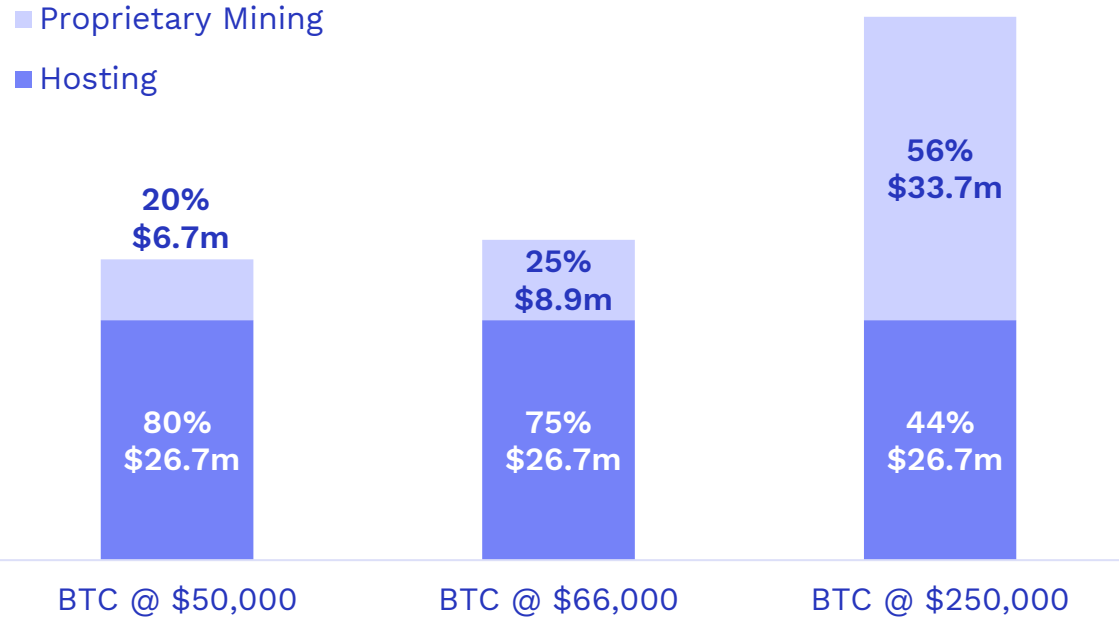


# Historically Stable Hosting Revenue Expected to Complement Existing Volatile, High-Upside Mining Revenue

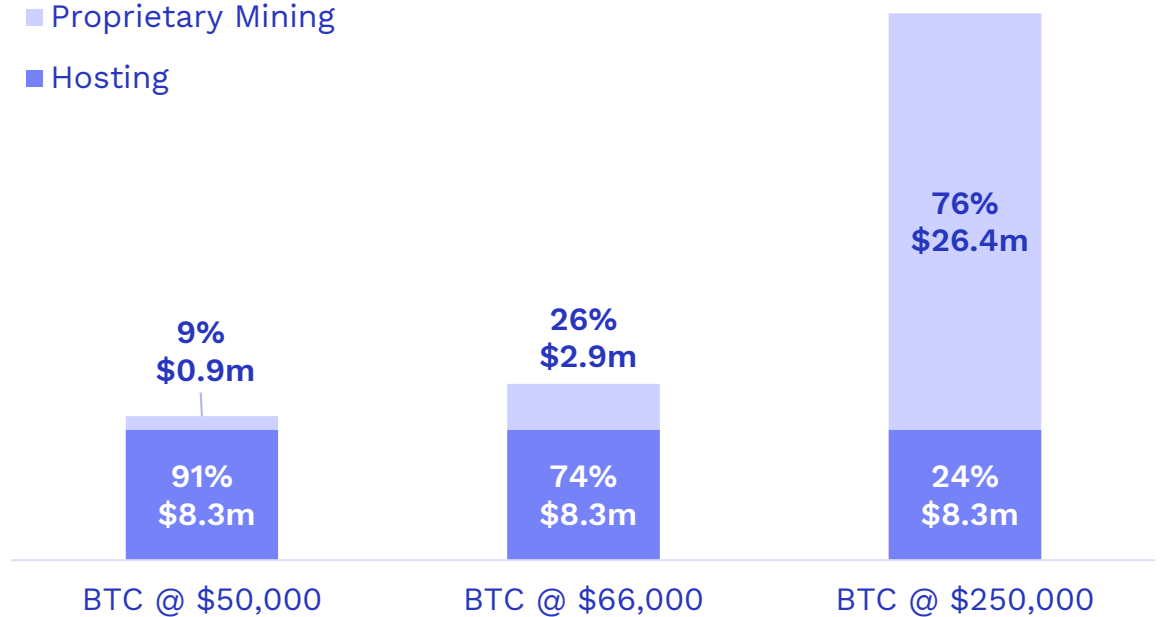
Kungsleden’s fixed contracted hosting margin of 31% expected to provide downside protection as 2024 Halving approaches

(Figures in USD, unless otherwise noted)

**Expected Pro Forma Revenue Mix at Various Bitcoin Prices (Annualized)**



**Expected Pro Forma Site-Level Cash Flow Mix at Various Bitcoin Prices (Annualized)**



Note: The above represents the reasonable expectations of management and is subject to a number of risks and uncertainties. There is no guarantee that such results will be achieved. All financial information is unaudited. Analysis assumes Cathedra hash rate of 403 PH/s, network hash rate of 570 EH/s, transaction fees equal to 8% of current block subsidy of 6.25 bitcoin per block, and post-Halving block subsidy of 3.125 bitcoin per block. Expected pro forma hosting site-level cash flow is equal to hosting revenue minus power expense. Expected pro forma proprietary mining site-level cash flow is equal to bitcoin mining revenue minus direct cash mining costs, including lease payments, hosting fees, and revenue shares. Expected pro forma hosting revenue and site-level cash flow include 42 MW of funded hosting capacity from Kungsleden (including Kungsleden’s 25% minority interest in a 60-MW data center in North Dakota, which is currently under development) assuming Kungsleden’s existing blended average rate of \$72.50/MWh with expected run-rate power cost of \$50.00/MWh and 100% uptime. Expected pro forma proprietary mining revenue and site-level cash flow includes 403 PH/s of installed proprietary mining hash rate from Cathedra under existing lease, hosting, and revenue share agreements and assuming 100% uptime.

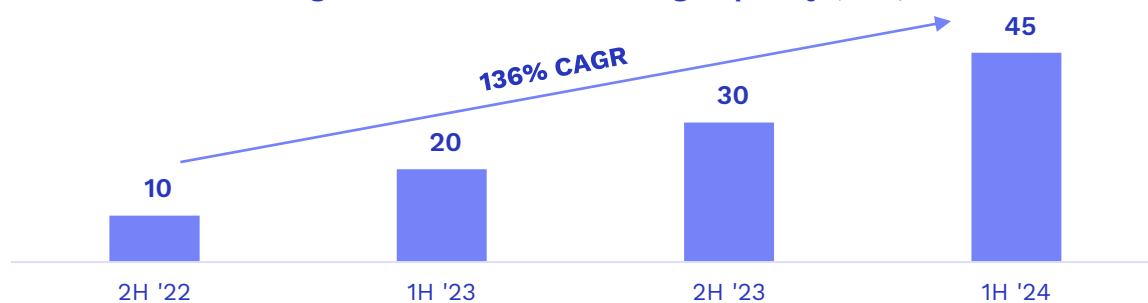


# Kungsleden's Proven, Repeatable Development Model Expected to Bring New Growth Trajectory

Accelerating growth with compelling unit economics and return characteristics shows a capital-efficient path to scale

(Figures in USD, unless otherwise noted)

**Kungsleden Historical Hosting Capacity (MW)<sup>1</sup>**



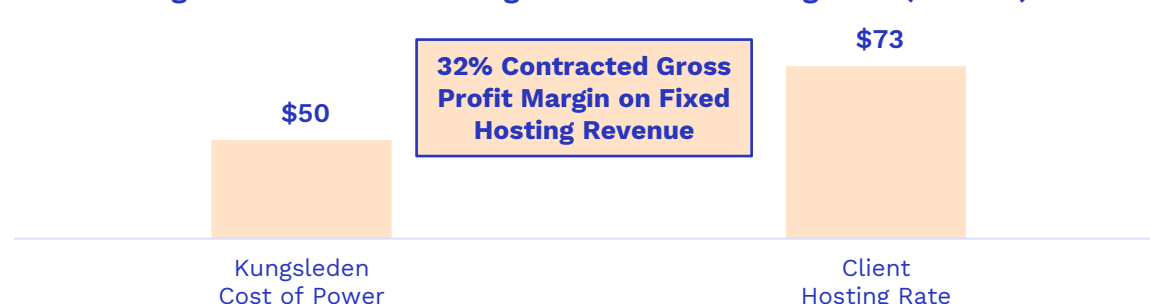
**Estimated Average Greenfield Site Construction Time (Months)<sup>2</sup>**



**Kungsleden Construction Cost vs. Completed FMV (\$000s/MW)<sup>3</sup>**



**Avg. Cost of Power vs. Avg. Contracted Hosting Rate (\$/MWh)<sup>4</sup>**



Notes: The above represents the reasonable expectations of management and is subject to a number of risks and uncertainties. There is no guarantee that such results will be achieved. All financial information is unaudited; <sup>1</sup> H1 '24 includes Kungsleden's 25% minority interest in a 60-MW data center under construction in North Dakota, expected to be completed in phases between March and June 2024; <sup>2</sup> Industry standard greenfield site construction time represents an estimate according to industry research; <sup>3</sup> Kungsleden construction cost represents a blended average based on realized construction costs for Kungsleden's completed 30 MW in Kentucky and Tennessee and estimated construction costs for its 60-MW North Dakota data center under construction. Completed fair market value per MW is based on Marathon Digital's \$179m acquisition of a 390-MW portfolio of bitcoin mining sites from Generate Capital, announced in December 2023; <sup>4</sup> Kungsleden cost of power represents a blended average of PPAs across Kungsleden's portfolio of four sites; Kungsleden client hosting rate represents a blended average of contracted hosting rates at existing Kungsleden sites and expected rates (\$75/MWh) for Kungsleden's 25% interest in an under-construction North Dakota site.



# Illustrative Bitcoin Mining Hosting Model

Kungsleden develops data centers, then provides electricity and ancillary services to bitcoin miners at a fixed margin above cost

(Figures in USD, unless otherwise noted)



Notes: All financial information is unaudited; <sup>1</sup> Kungsleden's expected run-rate power cost is equal to approximately \$50.00/MWh across its completed 30-MW portfolio; <sup>2</sup> Kungsleden's blended average hosting rate is equal to approximately \$72.50/MWh across its completed 30-MW portfolio.



# Illustrative Kungsleden Bitcoin Mining Hosting Site Unit Economics

Kungsleden's development model offers quick recovery of capital and compelling cash yields

(Figures in USD, unless otherwise noted)		Commentary
Expected development cost per MW	1 \$170,000	1 Blended average of realized construction costs for completed 30 MW in KY/TN and estimated construction costs for 25% stake in 60-MW ND site (\$250k/MW) (under development)
Estimated FMV per MW	2 458,000	2 Estimated fair market value of \$458k/MW based on Marathon Digital's \$179m acquisition of a 390-MW portfolio of bitcoin mining sites from Generate Capital, closed in January 2024
<i>Development premium/(discount) to estimated FMV (%)</i>	(63%)	
Annual revenue per MW @ \$72.50/MWh	3 \$635,100	3 Average contracted hosting rate of approximately \$72.50/MWh across Kungsleden's completed 30-MW portfolio. Assumes 100% uptime
Less: Annual power expense per MW @ \$50.00/MWh	4 (438,000)	4 Expected run-rate electricity cost of approximately \$50.00/MWh across Kungsleden's completed 30-MW portfolio. Assumes 100% uptime
Annual site-level cash flow per MW	\$197,100	
<i>Site-level cash flow margin (%)</i>	5 31%	5 Fixed-rate revenue and power costs have historically produced stable margins that can be reliably forecast
<b>Implied payback period (years)</b>	<b>0.86</b>	
<b>Implied cash flow yield (%)</b>	<b>116%</b>	

Notes: The above represents the reasonable expectations of management and is subject to a number of risks and uncertainties. There is no guarantee that such results will be achieved. All financial information is unaudited.

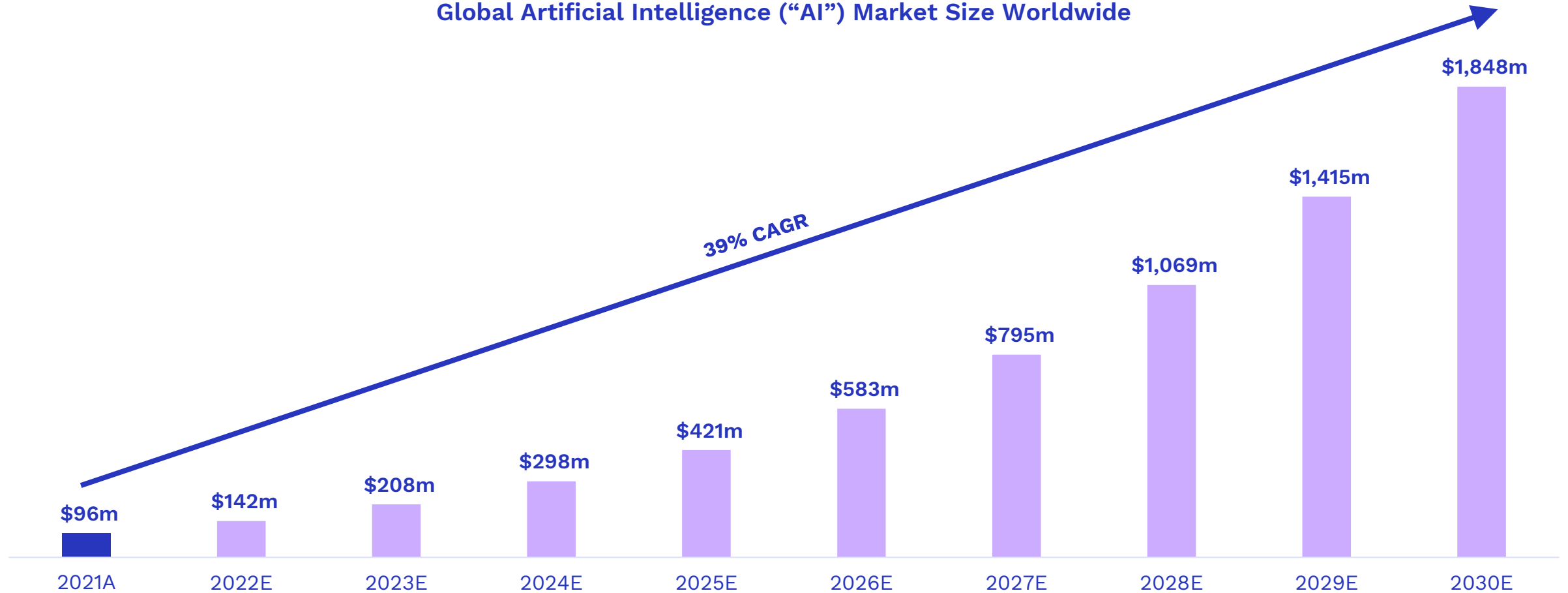


# Opportunity to Apply Low-Cost Development Model to Large and Growing HPC Market for AI

High-performance compute (“HPC”) for AI applications offers potential lucrative revenue stream uncorrelated to hosting and bitcoin mining

(Figures in USD, unless otherwise noted)

## Global Artificial Intelligence (“AI”) Market Size Worldwide



# Strengthened Leadership Team to Lead Next Phase of Growth

Cathedra and Kungsleden combine complementary skillsets while maintaining low corporate headcount (10 employees)



**Drew Armstrong**

PRESIDENT

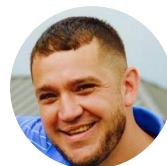
- Founding member of the bitcoin mining business at Galaxy Digital
- Prior experience in investment banking and principal investing at Galaxy Digital
- Began his career in investment banking at Barclays



**AJ Scalia**

CHIEF EXECUTIVE OFFICER

- Founding member of the bitcoin mining business at Galaxy Digital
- Prior experience in investment banking and principal investing at Galaxy Digital
- Began his career in technology investment banking at J.P. Morgan



**Tom Masiero**

CO-CHAIRMAN

- Co-founded and grew Kungsleden to 90 MW of capacity under management
- Co-founder and COO of Great American Mining (acquired by Crusoe Energy in 2022)
- Served as Cathedra's Head of Business Development in 2022, deploying 4,000+ latest generation Bitmain machines



**Gavin Qu**

CO-CHAIRMAN

- Investor in and co-founder of Kungsleden predecessor entities in 2022
- Investor in and operator of 200+ megawatts of bitcoin mining capacity
- Began his career in Goldman Sachs' sales and trading division



**Inar Kamaletdinov<sup>1</sup>**

CHIEF FINANCIAL OFFICER

- Years of experience in the Canadian capital markets as a finance executive across a range of high-growth sectors
- Co-founder and Partner at Imperium Consulting, a firm providing corporate accounting services



**Isaac Fithian**

CHIEF FIELD OPERATIONS OFFICER

- Founding member of Great American Mining, a bitcoin mining company focused on off-grid operations
- Deep technical and operational bitcoin mining experience across data center development and operations



**Rete Browning**

CHIEF TECHNOLOGY OFFICER

- Founding member of Great American Mining, where he served as Principal Engineer
- Trained as a chemical and petroleum engineer and as a technology and energy analyst

Notes: Proposed leadership team above is subject to final approvals;  
<sup>1</sup> Mr. Kamaletdinov will be joining Cathedra as CFO effective March 28, 2024.



# Proposed Combined Company Board of Directors



**Tom Masiero**  
CO-CHAIRMAN



**Gavin Qu**  
CO-CHAIRMAN



**Drew Armstrong**  
DIRECTOR



**AJ Scalia**  
DIRECTOR



**David Jaques**  
INDEPENDENT  
DIRECTOR



**Marcus Dent**  
INDEPENDENT  
DIRECTOR



**Matt Kita**  
INDEPENDENT  
DIRECTOR





**Thank You**

[WWW.CATHEDRA.COM](http://WWW.CATHEDRA.COM) ■ [IR@CATHEDRA.COM](mailto:IR@CATHEDRA.COM)

