

# Cathedra Bitcoin Announces Third Quarter 2024 Financial Results

Toronto, Ontario--(Newsfile Corp. - November 28, 2024) - (Block Height: 872,350) - Cathedra Bitcoin Inc. (TSXV: CBIT) (OTCQB: CBTTF) ("**Cathedra**," the "**Company**," or "**we**"), a bitcoin company that develops and operates digital infrastructure assets with the goal of maximizing its per-share bitcoin holdings, today announces its third quarter ("**Q3**") financial results for 2024:

## Q3 2024 Highlights

- Total revenues for the three months ended September 30, 2024, of C\$5.9 million, compared C\$4.9 million during the three months ended September 30, 2023, an increase of 20%. *(Please refer to the "Management Commentary" section herein for a note regarding the presentation of our results and the historical comparisons included in our financial statements and MD&A.)*
- Completed its previously announced business combination with Kungsleden, Inc., (the "**Kungsleden Merger**") on July 23, 2024, creating a developer and operator of high-density compute infrastructure and adding 45 megawatts of owned bitcoin mining data center capacity.
- Relocated approximately 1,129 of its machines from a third-party facility to a Cathedra-owned and -operated data center in Tennessee, resulting in a greater than 30% improvement in cash operating margins for the machines.
- Entered into multiple new profit-sharing agreements with institutional hosting clients, with the intent of increasing Cathedra's exposure to bitcoin in a rising hash price environment. Among these agreements is a new partnership with Compass Mining ("**Compass**"), whereby Cathedra hosts 10 megawatts of Compass's bitcoin mining machines at one of its data centers in Kentucky. Under the agreement, Compass pays pass-through power costs plus 50% of net profits (defined as net mining revenue less cost of power) to Cathedra. Cathedra and Compass share the intent of expanding this partnership beyond the initial 10 megawatts to future sites.
- Renegotiated an existing agreement with the owner of one of its leased data centers in Washington to reduce Cathedra's fixed lease cost. Under the amended terms, the Company pays a rate of US\$50.00 per megawatt-hour plus a profit share equal to 35% of the cash operating margin of Cathedra's machines at the site. The contract expiration date has also been revised to February 28, 2025, subject to renewal at Cathedra's discretion.
- Enrolled three of its data centers in a new demand-response program in the Tennessee Valley Authority. Under this program, Cathedra will be compensated for curtailing its 30 megawatts of data center load for up to 1% of the year. The compensation will consist of a fixed credit of approximately US\$10 per megawatt-hour for participating in the program plus additional compensation for each curtailment event.
- Subsequent to quarter end, Cathedra completed the construction of its 60-megawatt data center in North Dakota, in which Cathedra owns a 25% interest through a joint venture. The full 60-megawatt capacity is contracted to third-party hosting clients under a combination of fixed-rate and profit-sharing agreements.
- Subsequent to quarter-end, Cathedra's shares resumed trading on the OTCQB Venture Market under the ticker CBTTF. Cathedra also continues its preparations to list its shares on a major U.S. stock exchange, which it hopes to achieve in early 2025.
- Cathedra holds approximately C\$0.2 million of cash and C\$6.5 million of bitcoin (48.1 bitcoin) for total liquidity of C\$6.7 million as of November 27, 2024.

## Management Commentary

"Historically, our industry has moved in four-year cycles," remarked AJ Scalia, CEO of Cathedra. "Following the Halving of Bitcoin's block subsidy in April, we saw new cycle lows in hash price—and consequently, the least profitable period in the history of our industry. During Q2 and Q3, we took steps to reduce our all-in bitcoin mining costs and to reorient our business toward a more predictable, stable hosting model through our merger with Kungsleden—all with an eye toward increasing the Company's per-share bitcoin holdings. With bitcoin surging to new all-time highs in recent weeks and nearing a price of US\$100,000, we appear to be entering the 'upswing' part of the cycle. And with several large, non-recurring expenses associated with the Kungsleden Merger behind us, we are well positioned to increase our cash balance and, more importantly, our bitcoin holdings.

"As noted in our [September memo to shareholders](#), we also continue to evaluate capital market conditions and may issue securities if and when we believe doing so will be accretive to our long-term per-share bitcoin holdings. That said, with our relatively stable hosting business and the improving margins in our mining operations, we are also capable of growing our data center portfolio without relying on dilution or external financing. We believe this flexibility distinguishes Cathedra from pure-play bitcoin mining companies and will allow us to make capital allocation decisions that are in the best long-term interests of shareholders.

"We are as optimistic as we have ever been about the future of Bitcoin and our industry and look forward to what the next 12 months bring.

"A clarification is in order regarding the presentation of our results and the historical comparisons included in our financial statements and MD&A: because Kungsleden was deemed the acquirer in our merger for accounting purposes, our Q3 2024 financial statements are presented in comparison to Kungsleden's Q3 2023 results, at which time Kungsleden was a private company and had not yet combined with Cathedra. These comparisons may be of limited use to investors; we have therefore included several comparison tables (see page 13 of the accompanying MD&A) which illustrate how our Q3 2024 results would have compared to Q3 and year-end 2023, as appropriate, had Cathedra and Kungsleden combined prior to the start of Q3 2023. (Note these tables do not eliminate transactions and related balances between Cathedra and Kungsleden, but we believe they are a useful reference for investors nonetheless.) We will continue to include these (or similar) tables in our quarterly MD&A until this comparison issue is resolved with the passage of time."

## About Cathedra Bitcoin

Cathedra Bitcoin Inc. develops and operates digital infrastructure assets across North America with the goal of maximizing its per-share bitcoin holdings. The Company hosts bitcoin mining clients across its portfolio of three data centers (30 megawatts total) in Tennessee and Kentucky, as well as a 60-megawatt data center in North Dakota, a joint venture in which Cathedra is a 25% partner. Cathedra also operates a fleet of proprietary bitcoin mining machines at its own and third-party data centers, producing approximately 400 PH/s of hash rate. Cathedra is headquartered in Vancouver and its shares trade on the TSX Venture Exchange under the symbol CBIT and on the OTCQB Venture Market under the symbol CBTF.

For more information about Cathedra, visit [cathedra.com](https://cathedra.com) or follow Company news on Twitter at [@CathedraBitcoin](https://twitter.com/CathedraBitcoin) or on Telegram at [@CathedraBitcoin](https://t.me/CathedraBitcoin).

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## Cautionary Statement

Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

## Forward-Looking Statements

*This news release contains certain "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws that are based on expectations, estimates and projections as at the date of this news release. The information in this release about future plans and objectives of the Company, are forward-looking information. Forward-looking information contained in this news release includes but is not limited to information concerning: the potential for and merits of the Kungsleden acquisition; the benefits of the strategy to become a developer and operator of high-density compute infrastructure for bitcoin mining and/or other potential end markets; and other statements regarding future plans and objectives of the Company. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information. This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time it was made. The Company has also assumed that no significant events occur outside of its normal course of business.*

*Additionally, these forward-looking statements may be affected by risks and uncertainties in the business of Cathedra and general market conditions. Investors are cautioned that forward-looking statements are not based on historical facts but instead reflect Cathedra's management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Cathedra believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed thereon, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: an inability successfully integrate the Kungsleden business on terms which are economic or at all; a failure to realize the expected benefits of the business plan to develop and operate high-density compute infrastructure for bitcoin mining and/or other potential end markets; the risks of an increase in the Company's electricity costs, cost of natural gas, changes in currency exchange rates, energy curtailment or regulatory changes in the energy regimes in the jurisdictions in which the Company operates and the potential adverse impact on the Company's profitability; revenue may not increase as currently anticipated, or at all; it may not be possible to profitably liquidate the current digital currency inventory, or at all; a decline in digital currency prices may have a significant negative impact on operations; an increase in network difficulty may have a significant negative impact on operations; the volatility of digital currency prices; future capital needs and the ability to complete current and future financings, as well as capital market conditions in general; volatile securities markets impacting security pricing unrelated to operating performance; historical prices of digital currencies and the ability to mine digital currencies that will be consistent with historical prices; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws and regulations both locally and in foreign jurisdictions;*

*compliance with extensive government regulation and the costs associated with compliance; unanticipated costs; changes in market conditions impacting the average revenue per MWh; and the risks and uncertainties associated with foreign markets. Additionally, the forward-looking statements contained herein may be affected by risks and uncertainties in the business of Cathedra and general market conditions. Please see the Company's management information circular dated June 18, 2024 which is available for view the Company's SEDAR+ profile on [www.sedarplus.ca](http://www.sedarplus.ca). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. Readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.*



# Cathedra

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