

Cathedral Bitcoin Inc. Issues Shareholder Letter and Operational Update

CEO Letter to Shareholders

Toronto, Ontario--(Newsfile Corp. - December 17, 2025) - Cathedral Bitcoin Inc. (TSXV: CBIT) (OTCQB: CBTTF) ("Cathedral", the "Company", "we" or "our") today released the following letter to shareholders from Chief Executive Officer Joel Block, outlining the Company's strategic progress, operational milestones, and outlook for 2026.

Building the Foundation for Long-Term Value

A Letter from the Chief Executive Officer

To Our Shareholders,

As we close 2025, I want to reflect on the progress Cathedral has made over the past year and how deliberately we have positioned the business for 2026 and beyond.

This year was defined by a **strategic reset**. Since taking over leadership this summer, we have focused on laying the groundwork, strengthening our foundation, improving discipline across the organization, and ensuring that our strategy and capital deployment are focused on long-term value creation and measured growth.

Strategic Focus: Power and Infrastructure

A defining evolution in Cathedral's strategy has been the elevation of power and infrastructure as a core tenet of our foundation. In today's digital asset environment, access to reliable, scalable, and economically attractive power is not simply an input, it is a strategic advantage.

We have honed a specific focus on **rural geographies** where existing power is available in **sub-20 megawatt ("MW") allocations**. We believe this serves as a distinct competitive advantage. As computing hardware becomes increasingly more efficient, the ability to deploy flexible **clusters of computing infrastructure** allows us to maximize efficiency without the bottlenecks of massive-scale interconnection. Developing these clusters will continue to be a major focus of our business in 2026.

Furthermore, by leveraging the **flexible load characteristics** of this fleet, we have secured **below-market electricity rates**, ensuring our operations remain resilient across market cycles.

Operational Highlights

We continued to expand and optimize our infrastructure footprint, achieving key milestones:

- **Execution Excellence:** The successful commissioning of a new **15 MW data center**, delivered **on time and under budget**, which increased total operational power capacity by approximately 50%.
- **Future-Proofing Growth:** The acquisition of essential supplies and infrastructure to deliver an additional **25 MW** of capacity, with the goal of establishing a portfolio to exceed **60 MW** of capacity.
- **Strategic Partnerships:** The execution of strategic hosting partnerships that diversify our revenue mix and improve utilization.

Operational Discipline and Capital Allocation

Since the leadership transition, we have operated with a clear mandate: emphasize operational rigor and responsibly scaled progress. This discipline is evident in our structure and our balance sheet:

- **Lean Operations:** We run a nimble organization with a lean headcount, eliminating bloated SG&A to ensure capital is directed toward assets, not overhead.
- **Strategic Capital Recycling:** We capitalized on market strength by clearing our Bitcoin-backed loan near cycle highs. These proceeds were strategically re-deployed to fund site build-outs and acquire assets for growth inside the Tennessee Valley Authority (TVA) region.

Governance and Alignment

Cathedra continues to benefit from a Board and management team that think and act like owners. To reinforce this alignment, the Company awarded an additional 555,000 restricted share units to certain of its directors and officers on December 16, 2025, which underscores our shared commitment to long-term value creation.

Outlook for 2026

We enter 2026 with power and infrastructure established as our strategic pillars and a resilient capital structure. We believe the work completed in 2025 positions Cathedra to translate strategy into scale and capital into shareholder returns.

Our focus for the year ahead includes:

- Executing our roadmap to achieve our goal of establishing over **60 MW** of capacity.
- **Revitalizing our corporate branding and positioning** to better reflect our infrastructure-first strategy.
- Increasing the **consistency of our investor relations communications** to ensure transparency as we scale.
- **Reaffirming our goal to gain access to US public markets** to enhance liquidity and shareholder value.

A Personal Note: 2025 was our reset year. We did the hard work of fixing the foundation and getting the right people in the room. That work is done. 2026 is about execution.

On behalf of the Board and management team, thank you for your continued support.

Joel Block

Chief Executive Officer

Cathedra Bitcoin Inc.

Management Commentary

Commenting on the Company's strategic pivot and execution, Tom Masiero, Director and Head of Strategy, added:

"Working with Joel the last five months has been extremely rewarding. He bet on our team to go and deliver on what we do best: building and developing power infrastructure assets at below-market rates. When he made the decision to allocate the funds from our BTC loan treasury to build and develop a bigger footprint inside the TVA (Tennessee Valley Authority), I knew we had to deliver. That conviction in our team to go out and execute will be the standard for our execution going forward."

About Cathedra Bitcoin Inc.

Cathedra develops and operates power and digital infrastructure assets across North America. The

Company hosts bitcoin mining clients across its portfolio of four data centers (45 MW total) in Tennessee and Kentucky. Cathedra also operates a fleet of proprietary bitcoin mining machines at its own and third-party data center, producing approximately 400 PH/s of hash rate. Cathedra is headquartered in Vancouver and its subordinate voting shares trade on the TSX Venture Exchange under the symbol CBIT and in the OTC market under the symbol CBTTF. For more information about Cathedra, visit cathedra.com or follow Company news on Twitter at @CathedraBitcoin or on Telegram at @CathedraBitcoin.

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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. 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: changes in the Company's relationships, including with regulatory bodies, employees, customers and competitors; 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; the risks and uncertainties associated with foreign markets; the construction and operation of new facilities may not occur as currently planned, or at all; expansion of existing facilities may not materialize as currently anticipated, or at all; new miners may not perform up to expectations; revenue may not increase as currently anticipated, or at all; the ongoing ability to successfully mine Bitcoin is not assured; failure of the equipment upgrades to be installed and operated as planned; the availability of additional power may not occur as currently planned, or at all; and the power purchase agreements and economics thereof may not be as advantageous as expected. Additionally, the forward-looking statements contained herein may be affected by risks and uncertainties in the

business of Cathedra and general market conditions. For further information concerning these risks and uncertainties and other risks and uncertainties, please see the Company's filings under the its SEDAR+ profile on www.sedarplus.ca, including but not limited to the Company's management information circular dated October 30, 2025 and the Company's most recent interim and annual management discussion and analysis. 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 from those expressed in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended and such changes could be material, including factors that are currently unknown to or deemed immaterial by the Company. 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.

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.



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