

B HODL PLC

ANNUAL REPORT & INVESTOR PRESENTATION

2026

For the year ended 30 June 2026

BUY. HOLD. DEPLOY. COMPOUND.

A BITCOIN TREASURY 2.0 COMPANY

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IMPORTANT INFORMATION

Forward-looking statements: This document contains forward-looking statements that reflect the Board's current expectations and are subject to risks and uncertainties. Actual results may differ materially, and the Company undertakes no obligation to update them except as required by law. Figures after 30 June 2026 are unaudited management information.

Cryptoasset risk: The Company is materially exposed to Bitcoin, the value of which can be highly volatile and can fall as well as rise. An investment in the Company is not an investment in Bitcoin, directly or by proxy. The Company is not authorised or regulated by the Financial Conduct Authority, and the Financial Ombudsman Service and the Financial Services Compensation Scheme do not apply. Principal risks are set out on page 30.

This document is not an offer of securities or investment advice.

KEY TERMS

LSP: Lightning Service Provider · **mNAV:** Share price to Bitcoin NAV per share · **LRI:** Lightning Routing Income · **ATM:** At-The-Market share issuance

CHAIR & CEO - YEAR ONE: WHAT WE DELIVERED

THE FOUNDATION YEAR IS COMPLETE. THE BUILDING YEAR HAS BEGUN.



David Jaques
Non-Executive Chairman



Freddie New
Chief Executive Officer

KEY PERFORMANCE INDICATORS

+8.8% SPS

Growth in sats per share (SPS) since the proceeds of admission were deployed, from 110.69 on 18 November 2025 to 120.43.

At 27 October 2026. FY26: 117.77 at 30 June 2026, up 6.4%.

167.487 BTC

Bitcoin held

At 27 October 2026. FY26: 166.487 BTC at 30 June 2026.

#5 Node Rank

Global rank for node availability (B HODL Node 1)

At 30 September 2026.

11.7 BTC Capacity

Lightning channel capacity across all nodes

At 12 October 2026. FY26: c.5.8 BTC at 30 June 2026.

£109,575 ATM Sales

1,450,000 new shares sold, only at a premium to Bitcoin net asset value.

At 27 October 2026. FY26: 700,000 shares sold, £49,550.

3.19m Share Buyback

3,186,400 shares bought back across two programmes, for a total of £185,197.

At 27 October 2026. FY26: no buy-backs; programmes began July 2026.

Figures after 30 June 2026 are unaudited management information.

“Since our IPO we have delivered on the commitments we made to shareholders: building a strategic Bitcoin treasury, scaling our Lightning routing operations and, in May, launching our second core business line, our LSP platform.”

Freddie New, CEO

Since listing we have built a Bitcoin treasury of 167.487 BTC, increased sats per share by 8.8% from the deployment of the proceeds of admission to 27 October 2026, and launched our Lightning Service Provider platform in May 2026. The reported loss for the year of £7.84 million principally reflects the lower year-end Bitcoin price, not any reduction in the Bitcoin we hold.

Our Lightning channel capacity has grown to 11.7 BTC across all nodes, and B HODL Node 1 ranked fifth in the world for availability at 30 September 2026, providing self-custodied Bitcoin liquidity to businesses, developers and AI agents.

Every capital decision is measured by its effect on sats per share. The At-the-Market programme has raised £109,575 from 1,450,000 new shares, issued only at a premium to Bitcoin net asset value, and since the year end we have bought back 3.19 million shares. We also contributed, as a case study, to ZeusLN's *Lightning Economics* report, which sets out Lightning Routing Income as a third source of Bitcoin treasury return.

At the AGM we are asking shareholders to approve Ordinary Backed Loans, designed so that either outcome at the end of a loan increases sats per share.

Sources: Channel capacity across all nodes per Company records, as at 12 October 2026. Availability rank and marketplace listing per 1ML and Amboss, as at 30 September 2026. ZeusLN, *Lightning Economics*, April 2026 (zeusln.com). Sats per share, ATM proceeds and buy-back figures per B HODL RNS, 18 November 2025, 2 April 2026, 30 April 2026, 29 July 2026, 21 August 2026 and 3 September 2026, bhodl.com and Company records. Growth figures calculated by B HODL.

CHAIRMAN'S STATEMENT

GOVERNANCE IN A FOUNDATION YEAR

David Jaques, Non-Executive Chairman

It is a privilege to write to shareholders as Chairman for the first time since our admission to the AQSE Growth Market. My own background, as the first CFO of PayPal, SVP and Treasurer at Silicon Valley Bank, and as a treasury adviser to Barclays, has been shaped by the discipline that balance-sheet risk demands. That discipline has guided the Board's oversight of B HODL through its foundation year.

The first financial year as a listed company has been defined by a consistent principle: commercial momentum has been matched, step for step, by the development of governance infrastructure appropriate to a listed company. The Board has sought throughout to ensure that the pace at which the Company has grown its Bitcoin treasury, scaled its Lightning operations, and launched its second business line has never outrun the controls, the oversight and the prudence that shareholders are entitled to expect.

BOARD OVERSIGHT DURING THE YEAR

The Board has met regularly throughout the year, supported by four standing committees: Audit, Risk, Remuneration, and the Aquis Rule Compliance Committee. Each has operated with a clear mandate and delegated authority, and each has met with the cadence appropriate to a growing, dual-revenue business.

The Audit Committee has overseen the transition from interim to full-year reporting and recommends the re-appointment of Edwards Veeder (UK) Limited as the Company's auditor. The Risk Committee has maintained active review of the Company's principal risks. The Remuneration Committee has continued to ensure that executive rewards remain lean, equity-weighted, and aligned with long-term shareholder interests. The Aquis Rule Compliance Committee has overseen the Company's continuing adherence to its listing obligations.

Where commercial ambition and governance discipline have at any point been in tension, the Board's consistent position has been that governance leads, not follows. That principle has been applied without exception during the year.

LOOKING AHEAD TO THE 2026 AGM

Shareholders will be asked to consider several resolutions at this year's AGM, including the renewal of the Company's pre-

emption rights disapplication and share buy-back authority, the re-appointment of our auditor, and a targeted amendment to Article 141 narrowing shareholders' inspection rights to the scope normal and appropriate for a listed company.

Shareholders will also be asked to approve the framework for an Ordinary Backed Loans product, a facility under which eligible shareholders may borrow Bitcoin from B DEPLOY, a proposed wholly owned subsidiary, against a charge over their own ordinary shares, structured so that either outcome at the end of the loan, repayment or non-repayment, increases sats per share. The Board has taken particular care over this resolution, given its direct interaction with the Company's capital structure, and full detail is set out in the accompanying AGM circular.

Shareholders will also be asked to authorise the Company to make targeted purchases of its own shares from one or more shareholders, including a single purchase of up to 10 per cent of the issued share capital, each subject to the Board determining that the purchase benefits the remaining shareholders on terms that are fair and reasonable.

RISK AND REGULATORY POSTURE

The Risk Committee has kept the Company's principal risks, set out on page 30, under active review throughout the year.

Regulatory engagement by the Company's executives, detailed elsewhere in this report, has in the Board's view strengthened rather than complicated the Company's position, providing early and constructive visibility into the direction of UK policy in this sector. The Board regards this engagement as a prudential asset: engagement made in good order reduces, rather than invites, regulatory risk.

THANKS

On behalf of the Board, I thank our shareholders for their continued support through the Company's first full year, and our executive team for a year of genuine operational delivery against the commitments made at IPO. The foundation year is complete. The building year has begun.



David Jaques
Non-Executive Chairman

CHIEF EXECUTIVE'S STATEMENT

A YEAR OF DELIVERY

Freddie New, Chief Executive Officer, for the year ended 30 June 2026

I am pleased to present B HODL's results for our first financial year as a publicly listed Bitcoin treasury company. When I wrote to you at the interim stage, I described that period as the successful translation of our IPO vision into operational reality. This full-year statement records something more significant, the transition from a company that had built its foundations to a company now executing on them, at scale.

DELIVERY AGAINST EVERY COMMITMENT

Since our IPO in September 2025 we have systematically delivered against each commitment made during our roadshow. We built and grew a strategic Bitcoin treasury, we initiated and then meaningfully scaled our Lightning Network routing operations, and in May 2026 we launched our second core business line, our Lightning Service Provider (LSP) platform, moving B HODL from a single revenue stream to a diversified Bitcoin-native operating model within nine months of listing. Through our first public node, B HODL Node 1 (BHODL-PUBLIC-01), we now provide programmable Bitcoin liquidity to businesses, developers and AI agents building on Lightning, all without relinquishing custody of a single sat. We are proud to be one of the UK's first listed Lightning infrastructure businesses.

TREASURY GROWTH AND CAPITAL DISCIPLINE

Our Bitcoin acquisition strategy has been executed methodically throughout the year, through market purchases, Bitcoin-denominated convertible loan agreements, our Bitcoin-backed loan framework with CoinCorner, and Bitcoin generated by our own commercial operations. Our shares traded at a consistent premium to NAV for several months, enabling the successful launch of our At-The-Market programme in February 2026, issuing shares at a premium and deploying the proceeds into Bitcoin at an effective discount for existing shareholders.

MARKET CONDITIONS

Bitcoin has traded through pronounced volatility since our IPO. We make no attempt to predict short-term price movements. Our reported loss for the year of £7.8 million principally reflects the revaluation of our Bitcoin at the year end price, while the Bitcoin we hold, and Bitcoin per share,

grew over the year. What the year demonstrated is the resilience of our Bitcoin-native, cash-conservative model, as we accumulated Bitcoin through periods of weakness, earned operating revenues denominated in Bitcoin itself, and saw the prudent capital strategy adopted at IPO prove its worth.

LIGHTNING ROUTING INCOME

A central conviction underpinning B HODL is that Bitcoin's two identities, as a store of value and a medium of exchange, are complementary rather than conflicting. We were pleased to contribute, as a pre-publication reviewer and case study, to ZeusLN's *Lightning Economics* report, which examines return on invested capital deployed in Lightning routing channels. The concept of Lightning Routing Income (LRI) now underpins our operating business. We have also been at the frontier of agentic AI payments. Our work with Bitrefill's agentic payment stack was showcased publicly, demonstrating AI agents making autonomous Bitcoin payments over Lightning. AI agents will not pay with sterling, because they require programmable, instant, borderless money.

LEADERSHIP IN THE UK ECOSYSTEM

We continued constructive engagement with HM Treasury, senior political figures, and the All-Party Parliamentary Group on Crypto and Digital Assets, and contributed to the HMRC consultation on tax treatment of Bitcoin payments. Our UK Bitcoin Ecosystem Grant Initiative awarded its first grant to Brink, supporting open-source protocol development. We were delighted to win the Retail Choice award at the 2025 Aquis Showcase.

OUTLOOK

We enter the new financial year with two revenue-generating business lines, a growing treasury, proven access to capital markets, and an established voice in UK policy. I would like to thank our shareholders for their continued trust, and our team, partners and advisers for a year of genuine delivery.



Freddie New
Chief Executive Officer

A BRIEF PRIMER, NOT A TREATISE

WHY BITCOIN

Bitcoin means different things to different people and serves several functions at once, which is part of why it can be hard to describe. Because everything B HODL has done this year, and everything it is building towards, starts with Bitcoin itself, this short primer sets out what Bitcoin is and why we believe it deserves an investor's attention, whether or not you are already familiar with it.

01 A fixed, verifiable supply

From a monetary perspective, Bitcoin is a hard-capped, limited-supply electronic money with a predictable issuance schedule that runs until roughly the year 2140, after which no new coins will be created. Each coin is, in effect, a series of digital signatures that allows its chain of title to be traced back to its original point of issuance, because every transfer on the blockchain, Bitcoin's globally distributed ledger, carries such a signature from the sender.

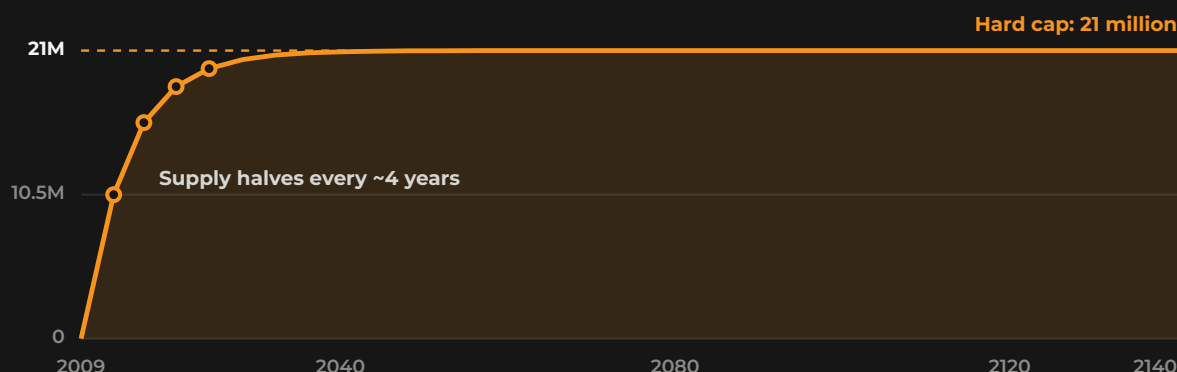
Bitcoin can be challenging to understand because we are accustomed to thinking of money as issued only by governments, or by banks that create money when they make loans.

02 Secured by real energy, hard to change

Unlike national currencies, Bitcoin is created not by a government or a bank but by a combination of software, hardware and the expenditure of energy. That real-world energy is spent in a competitive process across millions of computers worldwide to determine the order of transactions on the ledger, and it is this process that makes the system so robust and resistant to attack, even by a nation state. The ledger is defended by this globally distributed, decentralised network of computers, known as miners, which in aggregate is more powerful than any other computing network the world has yet seen.

The system's rules are also notoriously hard to change. They are altered not by majority vote but by what is known as rough consensus among everyone running the software, in the same way that chess remains chess only for as long as every player keeps to the same rules.

03 A supply curve unlike any national currency



ILLUSTRATIVE - BITCOIN'S ISSUANCE SCHEDULE, HALVING EVERY ~4 YEARS TOWARD A 21M CAP. SOURCES: BITCOIN.ORG FAQ AND BITCOIN CORE (HALVING EVERY 210,000 BLOCKS); BITCOIN WIKI, CONTROLLED SUPPLY (ISSUANCE ENDING AROUND 2140)

A BRIEF PRIMER, NOT A TREATISE

THE DEBASEMENT TRADE

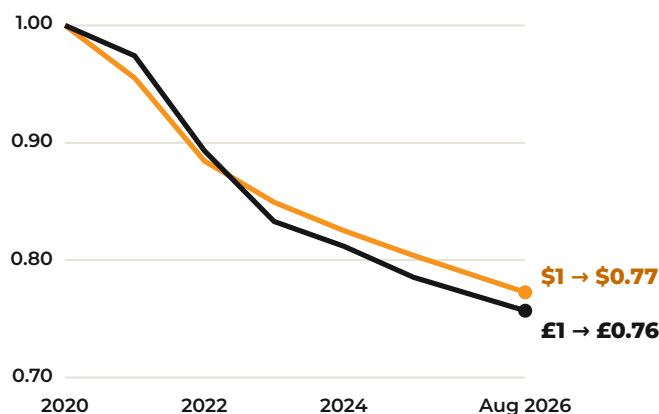
With a hard cap that cannot be increased, and a network of miners that has withstood every attack for close to two decades, Bitcoin's robustness can no longer be seriously challenged. It is in this context that Bitcoin's function as a hedge against sovereign debt default becomes so important.

01 A trap with no exit

The United States currently carries more than \$40 trillion of government debt and the United Kingdom nearly £3 trillion, with many other nations similarly indebted and now refinancing at much higher rates of interest. No nation whose debts are denominated in a currency it can create is ever insolvent in any meaningful sense, and none will voluntarily default. Instead, new money is created to repay the old debt, and the cycle continues.

02 The cost falls on savers

The consequence is that the purchasing power of every dollar or pound already in the system falls. In the UK today, the state already spends more servicing its sovereign debt than it spends on defence and roughly as much as it spends on education, and that is the interest alone, before a penny of principal is repaid.



03 Purchasing power since 2020

VALUE OF £1 / \$1 HELD SINCE 2020, IN 2020 TERMS

— US dollar — Pound sterling

The US dollar has lost roughly 23% of its purchasing power since 2020 (US Bureau of Labor Statistics CPI), and the pound roughly 24% over the same period (ONS CPI).

04 This is the debasement trade

The debasement trade rests on the understanding that governments and their currencies are trapped, with no route to repaying sovereign debt that does not involve the ongoing erosion of the currency's purchasing power. The question for an investor is therefore whether the purchasing power of the pound or the dollar will rise or fall from here and, if it falls, whether a money that no government can create or manipulate is worth holding as an alternative. B HODL was founded on the belief that the answer to this question is yes, and that a company which puts that money to work to earn more of itself offers shareholders a more productive way to hold it than simply holding it alone.

Sources: US Department of the Treasury, Debt to the Penny, 29 September 2026 (fiscaldata.treasury.gov). ONS, Public sector finances, UK: August 2026, net debt excluding public sector banks (ons.gov.uk). OBR, A brief guide to the UK public finances, spring 2026 (obr.uk). US Bureau of Labor Statistics, CPI-U (bls.gov) and ONS, CPI index D7BT (ons.gov.uk), 2020 average to August 2026, with purchasing-power figures calculated by B HODL from these indices.

A BRIEF PRIMER, NOT A TREATISE

WHY LIGHTNING

Bitcoin's base layer, its blockchain, is robust and secure, and final settlement of a payment on it can happen in as little as ten minutes, which is far quicker than intrabank payments that in many cases settle only at the end of the day or later.

Retail payments, however, work differently. When you tap a card at a point-of-sale terminal, the card payment schemes pass messages between the card issuer, the merchant and your bank or credit card company to determine whether you can make the payment, and then confirm the result back to the merchant almost in real time.

An old criticism of Bitcoin used to be "you can't buy coffee with it." Ten minutes for final settlement is fast for the banking world, but too slow for the real-time transactions the modern economy requires.

01 Fiat already solved this, with its own second layer

Modern fiat payments get around the slow final settlement of the banking system mainly through the card networks, such as Visa, Mastercard and Amex. These are known as second layers in the payment system, and each card scheme charges small fees for enabling real-time transactions to take place.

The market these networks serve is vast. In its 2025 financial year Visa handled around \$17 trillion of payments and cash volume across 329 billion transactions, an average of roughly 901 million a day, while Mastercard handled a further \$10.6 trillion of gross dollar volume across 3.7 billion cards in calendar 2025. Visa's published figures (2017) put the capacity of its network at more than 65,000 transaction messages per second, against an average load of around 10,000 per second.

02 Lightning is Bitcoin's own second layer

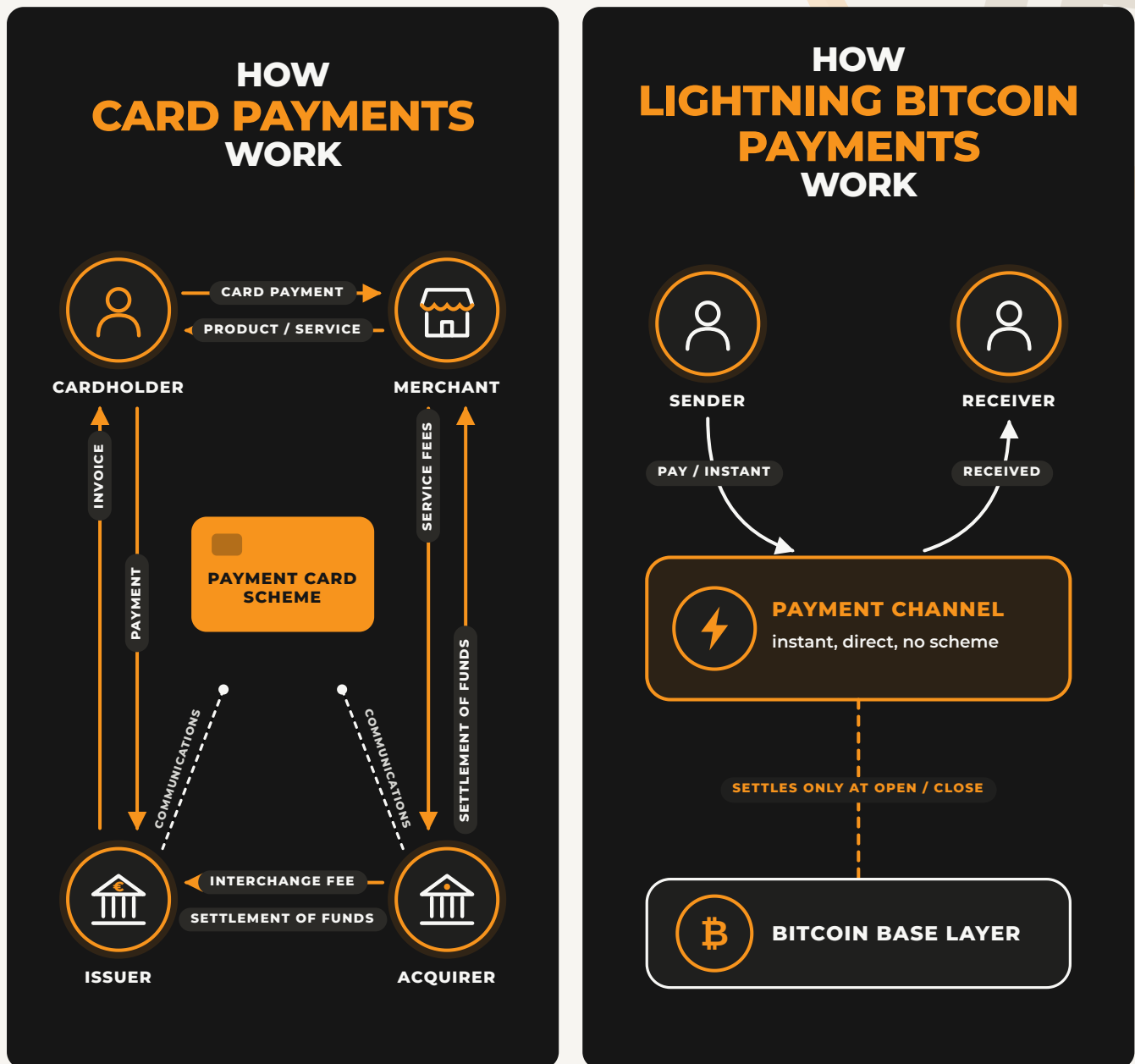
In just the same way, Bitcoin has developed its own second-layer payment systems that enable real-time transactions and much more, the best known and most developed of which is the Lightning Network. Lightning is still relatively early in its development, and this is where B HODL has spent much of its first year building, positioning itself as a key provider of the liquidity the network needs and of the routing that carries its payments, and earning small fees for doing so in much the same way that Visa or Mastercard do for card payments (see overleaf).

Lightning works on a different principle. Because payments are settled directly between the parties to each channel rather than passing through one central system, its capacity grows with the network itself, and its developers describe it as capable of millions of transactions per second across the network. At around \$1 billion a month, Lightning's volume today is still a very small fraction of the card networks', which is why we regard it as early in its development and why we believe the opportunity in providing its liquidity and routing is so significant.

A BRIEF PRIMER, NOT A TREATISE

TWO WAYS TO SETTLE A PAYMENT **INSTANTLY**

THE CARDHOLDER OR SENDER SEES ONE INSTANT STEP, WITH SEVERAL MORE UNDERNEATH



A card scheme bridges the gap between instant confirmation and slower bank settlement in return for a fee. Lightning does the equivalent for Bitcoin directly between the two parties, with no central scheme and no intermediary bank taking a fee, and the base layer is touched only when the channel is opened or closed.

Sources: B HODL internal analysis. Card-payment flow chart supplied by B HODL management. Visa figures: Visa Inc., Fiscal 2025 Annual Report (annualreport.visa.com) and "About Visa" factsheet (visa.co.uk). Mastercard figures: Mastercard Inc., Fourth-quarter and full-year 2025 results (sec.gov). Lightning capacity: Lightning Network (lightning.network). Lightning volume: River, Bitcoin Adoption Report 2026 (river.com/learn). Average Visa load per second calculated by B HODL from Visa's reported daily transaction average.

A BRIEF PRIMER, NOT A TREATISE

LIGHTNING ECONOMICS

A Lightning channel remains self-custodial throughout, so if a counterparty disappears either side can broadcast a closing transaction and recover its funds from the base layer directly, without needing anyone else's cooperation or permission.

Lightning is both a way of paying in Bitcoin and a payment rail in its own right. Our thesis is that, just as there is only one internet today, there will in future be only one internet-native money and payment rail, with Bitcoin as the money and Lightning as its rail. The work we have done this year is designed to put B HODL in a strong position to benefit from both.

01 Why this matters for B HODL specifically

Someone has to provide the liquidity that makes payment channels work, committing Bitcoin to channels so that payments have a route to travel. That is what a Lightning node operator does, and it is why Bitcoin deployed in this way can earn a fee every time it routes a payment instead of sitting passively in a wallet, in much the same way that Visa or Mastercard earn a fee for enabling a card payment. It is also the mechanism behind everything B HODL has built as a Lightning Service Provider this year (see page 13).

02 Any asset, not just Bitcoin

Lightning is not limited to Bitcoin. Tether, the issuer of the most widely used stablecoin in the world, has announced that it is bringing USDT onto the Lightning Network,¹ which we see as a clear validation of Lightning as general-purpose settlement infrastructure, not just a Bitcoin niche (see page 24).

03 The network is scaling fast

ESTIMATED MONTHLY LIGHTNING NETWORK VOLUME



Monthly volume has grown roughly 100x since August 2021, surpassing \$1 billion for the first time in November 2025.²

04 The demand wave is the thesis

Our investment thesis is that Lightning stands at the beginning of a large wave of demand for infrastructure services, and that the companies which position themselves early, as B HODL has spent this year doing, will be the ones to benefit in the years to come.

Our own research and trials of agentic AI payments during the year have added a second strand to that thesis, giving us clear evidence that AI agents can already transact autonomously online using their own Bitcoin Lightning wallets, and that they are likely to become a significant second source of demand for Lightning capacity and infrastructure (see page 22).

Sources: 1. Tether, "Tether Brings USDT to Bitcoin's Lightning Network, Ushering in a New Era of Unstoppable Technology" (tether.io/news). 2. River, Lightning Report 2023 and Bitcoin Adoption Report 2026 (river.com/learn).

MISSION: COMPOUND BITCOIN

Everything we have built this year follows one strategy, which we call **Mission: Compound Bitcoin**. It is a disciplined four-step capital cycle in which we buy Bitcoin, hold it as a treasury asset, deploy it into Lightning infrastructure and other productive uses, and compound the returns back into the treasury. Each step is designed to reinforce the next, with the objective of growing Bitcoin per share through repeatable execution rather than short-term trading, because we do not simply buy Bitcoin, we compound it.

We describe B HODL as a Treasury 2.0 company. Whilst a Treasury 1.0 company buys Bitcoin and holds it, a Treasury 2.0 company holds Bitcoin as its primary treasury reserve and puts it to work, deploying it into productive, Bitcoin-native activity that earns more Bitcoin and reinvesting what it earns to grow Bitcoin per share, so that it buys, holds, deploys and compounds. Our objective is to be the best option available to shareholders for increasing their exposure to Bitcoin, putting that Bitcoin to work in the most responsible, prudent and disciplined way and measuring the result by one number - sats per share.

01 BUY



Disciplined capital allocation

We acquire Bitcoin through disciplined capital allocation, drawing on our ATM equity programme, and other capital raises when market conditions are favourable, rather than on a fixed schedule. During the year we raised Bitcoin-denominated convertible loans and redeployed surplus fiat reserves into Bitcoin, and, after the year end, bought back shares when they traded below the value of the Bitcoin behind them (pages 15 and 16). Every allocation decision is weighed against its effect on Bitcoin held per share. We prefer to raise less than dilute shareholders for growth that does not compound. Throughout, the aim is to maximise the Bitcoin acquired for every pound raised and to build scale without sacrificing that discipline.

02 HOLD



A treasury built for the long term

We hold Bitcoin as a long-term monetary asset, not as a trading position, and our strategy is not built around short-term price movements. Bitcoin in our own custody sits under institutional-level controls, with treasury decisions subject to ongoing governance oversight. Our focus stays on Bitcoin per share over time, and on giving shareholders and the market clear visibility of how the treasury is held and managed.

Capital becomes treasury



Buying and holding, however, is only the foundation. The following page sets out how we have put this treasury to work in Lightning infrastructure and how what it earns is compounded back in.

MISSION: COMPOUND BITCOIN

DEPLOY AND COMPOUND

The other half of the strategy, and the part we have spent much of this year building, is putting that Bitcoin to work and reinvesting what it earns, so that the treasury grows through productive use and not through price action alone.

03 DEPLOY



Powering Lightning liquidity

Providing liquidity to the Lightning Network sits at the centre of our strategy, with our treasury Bitcoin supporting payments, routing and other revenue-generating activity on the network. Bitcoin deployed as Lightning liquidity remains under our control throughout. Lightning is not the only way our Bitcoin works and Bitcoin not yet deployed into Lightning earns rewards paid in Bitcoin through the CoinCorner Rewards Account, where it is held with a trusted counterparty. Our Bitcoin-backed loan framework allows Bitcoin we already hold to act as collateral to acquire more, within strict limits (page 16). Ordinary Backed Loans, proposed for approval at the 2026 AGM, would add a further way to put Bitcoin to work for shareholders (page 20). Each is judged by the same test: whether it increases Bitcoin per share.

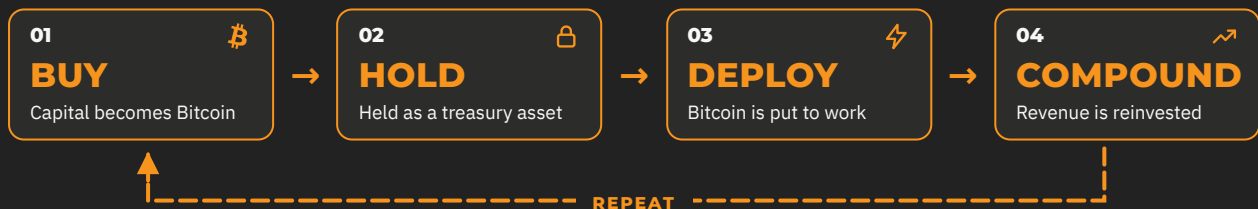
04 COMPOUND



Reinvesting what it earns

Revenue generated from deployment is Bitcoin-denominated by design, and we reinvest it back into the treasury rather than distributing it, compounding the asset and growing Bitcoin per share through disciplined, repeatable execution. The philosophy is process over prediction and participation over waiting. Capital becomes Bitcoin, Bitcoin is deployed, deployment generates revenue, and revenue is reinvested, with each cycle building on the last.

05 The Compounding Cycle



Each step reinforces the next, so that capital becomes Bitcoin, Bitcoin is deployed, deployment generates revenue and that revenue is reinvested, growing the treasury without relying on price appreciation alone.

LIVE INFRASTRUCTURE

THE LSP PLATFORM IS OPERATIONAL TODAY

B HODL operates its own public Lightning node and liquidity infrastructure, positioning the Company as one of a small number of listed Lightning infrastructure providers globally, ahead of an anticipated surge in machine-to-machine payment demand (see page 21).

As at 21 October 2026 (Amboss / 1ML).

8.72 BTC Node capacity

#90 Global rank by capacity

75 Channels, 71 peers

MISSION: COMPOUND BITCOIN

INSTANT. RELIABLE. FOR HUMANS AND MACHINES.

FROM SINGLE REVENUE STREAM TO DIVERSIFIED OPERATOR

In May 2026 we launched our second core business line, the Lightning Service Provider (LSP) platform, moving B HODL from a single revenue stream to a diversified Bitcoin-native operating model.

8.72 BTC

B HODL Node 1 total capacity (1ML).

#90 globally

By total capacity, placing B HODL Node 1 in the top 2% of active Lightning nodes (1ML).

75 channels

Across 71 connected nodes. Also live on Amboss Magma, a leading Lightning liquidity marketplace.

Node statistics as at 21 October 2026 (Amboss / 1ML).

01 What the platform does

Through B HODL Node 1, launched at lightning.bhodl.com, we provide programmable Bitcoin liquidity, including inbound liquidity and API integration, to businesses, developers and AI agents building on the Lightning Network, all without relinquishing custody of a single sat. Bitcoin we deploy as Lightning liquidity remains under our full custody and control throughout, deployed as liquidity rather than transferred.

The platform earns three Bitcoin-denominated revenue streams, from routing fees, liquidity leases and on-demand channel openings, and each is reinvested under Mission: Compound Bitcoin. It is built for a market the directors describe as already processing in excess of \$1 billion of value every month across the Lightning Network.

02 Our Node Fleet

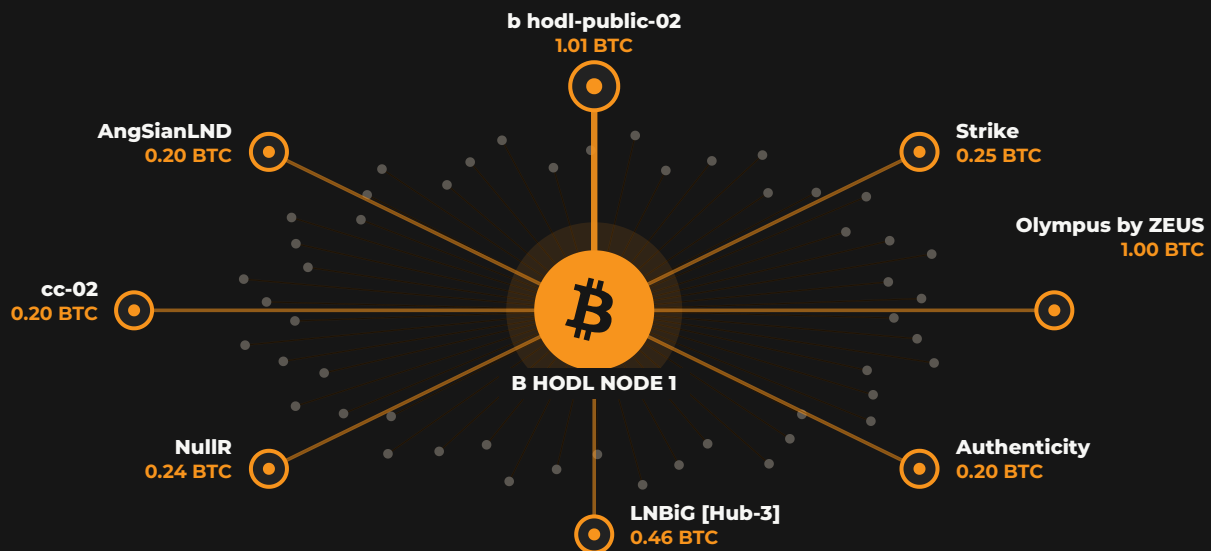
During the year we developed our Lightning node fleet leveraging the expertise provided through our agreement with CoinCorner. Our first public node opened its first channel in May, alongside the launch of our LSP, and our second, which carries larger wholesale channels including exchange peers, followed in June 2026.

After the year end, in August 2026, our initial leased node, which ran on older infrastructure, was decommissioned. Today our nodes are managed by CoinCorner as part of the existing technical support service at no additional fee, and we retain our own interest in, and control of, each node.

INSTANT. RELIABLE. FOR HUMANS AND MACHINES.

NODE MAP AND FIRST PARTNERSHIP

NODE & CHANNEL MAP • 8 LARGEST PEERS



B HODL Node 1 and its 71 connected peers, with the 8 largest by channel capacity (BTC) shown.

FIRST COMMERCIAL PARTNERSHIP • SIGNED AUGUST 2026

Zeus Wallet (Atlas 21, Inc.)

After the year end, in August 2026, we signed a non-binding letter of intent with Zeus, a US Lightning infrastructure business building since 2019, whose products include the self-custodial ZEUS Wallet, its own LSP, Olympus by ZEUS, and ZEUS White for businesses. An initial 1 BTC channel is already open and routing, and is one of the largest channels on the node map opposite, with a review of further scaling planned after three months.

"B HODL is doing on a public balance sheet what we have argued Bitcoin treasuries should do: putting Bitcoin to work as productive infrastructure."

Evan Kaloudis, Founder and CEO, ZEUS

Marketplace reach

B HODL Node 1 is also listed on Amboss Magma, which enables automated channel purchasing and extends our commercial reach to wallet providers, payment processors and businesses seeking programmatic liquidity.

Second-year focus

Looking ahead, further commercial relationships and platform integrations are in active development, building on the foundations laid this year.

Sources: Node statistics and rankings per 1ML and Amboss, as at 21 October 2026. B HODL RNS, 22 May 2026, 18 June 2026 and 13 August 2026. ZEUS Trust Center (trust.zeusln.com).

THE CAPITAL MECHANICS: ATM AND BUY-BACK

Over the year we put in place, and then used, two complementary mechanisms that manage our capital structure according to where our share price sits relative to net asset value, a ratio expressed as mNAV (share price to Bitcoin net asset value per share). We issue new shares under the ATM when mNAV is at least 1.06x, a safe margin that mitigates fluctuations of price when buying the resulting Bitcoin, and buy back shares under our buy-back programme when mNAV is below 1x. The two levers pull in opposite directions, one growing the share count and the other shrinking it, but because each operates only on its own side of 1x mNAV, both raise the Bitcoin held per share.

Track record

AS AT 27 OCTOBER 2026

Both mechanisms have been used in practice, not just in principle. ATM tranches were sold into premium windows (6.75p-8.25p) and, after the year end, in July 2026, the first buy-back programme was executed in a discount window (daily average prices of 4.57p-5.27p), both accretive to Bitcoin held per share. Each ATM sale brought in between 7% and 18% more Bitcoin per new share than each existing share held at the time, 12% across ATM 1, 13% across ATM 2 and 9% on ATM 3, while the July 2026 buy-back, by cancelling 1,984,400 shares, lifted sats per share from 117.77 to 119.45. In September 2026 both levers were used within the same month, with ATM shares sold at 7.6p, above net asset value, in the middle of the month and buy-back purchases made at 6.95p, below net asset value, at its close. Buy-backs continued through October at 6.95p-7.50p, taking the second programme to 1,202,000 shares.

ATM • GROSS PROCEEDS

£109,575

across 8 tranches,
1.45m shares

BITCOIN ACQUIRED VIA ATM

1.919 BTC

£106,723 net
proceeds deployed

BUY-BACK • CONSIDERATION

£185,197

£99,006 on programme 1
(July) and £86,191 on
programme 2 (September to
October)

SHARES REPURCHASED

3,186,400

bought back, 300,000 still
pending cancellation

The "mNAV Zones"

The lever in use is accretive depending on which side of 1.0x mNAV the market is pricing our shares.

LESS THAN 1 = BUYBACK
1.0x mNAV
MORE THAN 1 = ATM

AT A DISCOUNT TO NAV

Buy-Back Programme

We repurchase and cancel our own shares, concentrating the existing treasury among fewer remaining shares.

BELOW 1.0x mNAV

- Market values equity below Bitcoin held
- Buy-backs are accretive to sats per share

AT A PREMIUM TO NAV

At-The-Market (ATM)

New shares are issued directly into the market in tranches, and the proceeds fund further Bitcoin accumulation, growing the treasury.

ABOVE 1.0x mNAV

- Market values equity above Bitcoin held
- ATM issuance is accretive to sats per share

Sources: B HODL RNS, 4 February 2026 to 3 September 2026, and Company records. mNAV and sats per share effects calculated by B HODL against Bitcoin NAV per share on each trade date (bhodl.com analytics).

MAKING **EVERY SAT** WORK HARDER

Alongside the ATM and buy-back programmes, we took three further steps during the year to make the capital we already held work harder, each of them disclosed to the market at the time and each judged by the same measure of whether it increases Bitcoin per share.

01 MARCH 2026 · CAPITAL DEPLOYMENT PROGRAMME

Cutting the fiat reserves from four years to two

At IPO the Company retained a deliberately prudent fiat buffer, reported at the time as a four-year operating runway. As market conditions changed, the Board approved the redeployment of up to £350,000 of those fiat reserves while still maintaining approximately 24 months of working capital, with the proceeds used to fund further Bitcoin purchases and, where the Board judges that the share price materially undervalues Bitcoin per share, further buy-backs.

02 DECEMBER 2025 · BITCOIN-BACKED LOAN FRAMEWORK

Borrowing against Bitcoin, to buy more Bitcoin

In December 2025 we put in place a framework, using CoinCorner's loan product, that allows the Company to borrow against its own Bitcoin holdings at up to 50% loan-to-value, on an interest-only basis and for terms of up to four years, with total borrowing capped at 20% of the value of the Bitcoin treasury. For example, in one drawdown under the framework, a £70,000 loan at 8% interest funded the purchase of 1.0005 BTC for £65,809, so that Bitcoin already held was used as collateral to acquire more Bitcoin without issuing a single new share.

03 MARCH 2026 · RELATED PARTY TRANSACTION

Earning Bitcoin on Bitcoin, via the CoinCorner Rewards Account

We also made sure that Bitcoin not yet deployed into Lightning liquidity does not sit idle. In March 2026 the Board approved participation in CoinCorner's Rewards Account, a passive yield product on which the Company earns rewards paid in Bitcoin, disclosed and approved as a related-party transaction.

ONE TEST, THREE LEVERS

Reducing the fiat buffer, borrowing against Bitcoin and using the Rewards Account are three different mechanisms, but each is judged against the same standard we apply to the ATM and to share buy-backs, which is that every action must increase the Bitcoin held per share for our shareholders.

Sources: B HODL RNS, 24 and 31 December 2025 and 12 March 2026.

LEAN BY DESIGN

Every pound not spent on running the Company is a pound that can be put towards increasing sats per share. That principle has shaped how B HODL has been built from the start, with a small team, operational support provided under a services agreement rather than through a large in-house function, and executive remuneration kept lean and weighted towards equity rather than cash.

WHAT IT COSTS TO RUN B HODL

Our ongoing operating costs run at approximately £46,000 a month, or around £550,000 a year. That comprises directors' fees of £15,833 a month across the whole Board, unchanged since the Admission Document, £5,000 a month under our services agreement with CoinCorner (reduced from £10,000 with effect from 1 July 2026), which covers Lightning node management, IT infrastructure and security, office premises and finance, marketing, compliance and technology support, and approximately £25,000 a month of professional and administrative costs, from auditors, advisers and legal counsel to the registrar, exchange listings and insurance that come with being a listed company. This is the run rate after the reduction in the CoinCorner service fee from 1 July 2026. The going concern assessment in the financial statements uses a forecast net cash outflow of approximately £52,000 a month, reducing to approximately £46,000 a month from the end of October 2026.

1 • DIRECTOR SALARY, BONUS & EQUITY

£15,833 PER MONTH

DIRECTOR	ROLE	SALARY/FEE	BONUS	BENEFITS	SHARES	OPTIONS
Frederick New	Chief Executive Officer	£110,000 p/a	Nil	£0	2,210,350	300,000 at 14p
Daniel Scott	Chief Bitcoin Officer	£10,000 p/a	Nil	£0	2,396,127	300,000 at 14p
David Boylan	Chief Financial Officer	£10,000 p/a	Nil	£0	2,041,666	300,000 at 14p
Zakk Lakin	Chief Technical Officer	£10,000 p/a	Nil	£0	2,040,322	300,000 at 14p
David Jaques	Chair & Non-Executive Director	£40,000 p/a	Nil	£0	0	300,000 at 14p
Russell Allen Farrington	Non-Executive Director	£10,000 p/a	Nil	£0	2,000,000	300,000 at 14p

2 • COINCORNER SERVICES AGREEMENT

£5,000 PER MONTH

Reduced from £10,000 with effect from 1 July 2026.

Rather than building duplicate infrastructure and teams, the Company pays a fee covering operational functions.

LIGHTNING NODE MANAGEMENT **WEBSITE & EMAIL**
IT INFRA & SECURITY **OFFICE PREMISES** **FINANCE TEAM**
MARKETING TEAM **COMPLIANCE SUPPORT**
TECHNOLOGY DEVELOPMENT

3 • PROFESSIONAL & ADMINISTRATIVE

£25,000 PER MONTH (APPROX)

Company costs cover the professional services required of a company listed on the AQSE Growth Market.

AUDITORS **CORPORATE ADVISORS** **UK LEGAL COUNSEL**
IOM LEGAL COUNSEL **REGISTERED AGENT** **REGISTRAR**
EXCHANGE LISTINGS **REGULATORY ANNOUNCEMENTS**
INSURANCE **CORPORATE BROKERS** **PAYROLL, TAXES & NI**

Reading the year's figure

Reported administrative expenses for the year were £0.70 million, with a further £0.71 million of costs of incorporation and admission to trading. Together these include £407,890 of non-cash items, principally £268,141 of share-based payments for the options granted at admission, together with costs that arise only once in a company's first year as a listed business.

The ongoing operational cost base set out above is the better guide to what the Company costs to operate today.

Holding ourselves to account

We do not describe these costs as negligible. Relative to a treasury of B HODL's current size they are a meaningful charge, which is exactly why the Board treats every cost decision as a capital allocation decision. Our aim is for Bitcoin-denominated income from Lightning and treasury activity to eclipse running costs over time, so that more of the treasury is accumulated to compound for shareholders.

Sources: Monthly run-rate figures per B HODL website, Company Expenses (bhodl.com), approximate and excluding one-off items. Administrative expenses and non-cash items per B HODL Plc financial statements for the year ended 30 June 2026.

SATS PER SHARE, NOT SHARE PRICE ALONE

Share price matters to us as much as it does to our shareholders, and the Board follows it closely. Share price reflects how the market values B HODL at any given moment, whereas sats per share reflects what we have actually done with shareholders' capital, showing how much Bitcoin backs each share and whether that amount is growing. We measure our performance primarily on sats per share because it is the measure our decisions directly control, and because the Board believes that growing it consistently over time is what will ultimately support a higher share price.

SATS PER SHARE

$$\frac{\text{Total Bitcoin held}}{\text{Ordinary shares in issue}}$$

Total Bitcoin held divided by ordinary shares in issue. It rises when we issue shares above net asset value and buy Bitcoin with the proceeds. And it rises when we buy back and cancel shares below net asset value, and when we earn Bitcoin from Lightning activity and treasury rewards and retain it.

Putting the market's valuation to work

The market will not always value B HODL at exactly the value of the Bitcoin we hold, and the ratio between the two, known as mNAV, moves with sentiment towards Bitcoin and towards B HODL itself. When the shares trade at a premium to net asset value, issuing new shares through the ATM and using the proceeds to buy Bitcoin increases the Bitcoin backing every existing share. When they trade at a discount, buying back and cancelling shares achieves the same result for the shareholders who remain. Tracking sats per share rather than share price in isolation is how the Board decides which of these tools to use. It means that whichever way the market values us relative to the price of Bitcoin, that valuation can be put to work for shareholders rather than simply waited out.

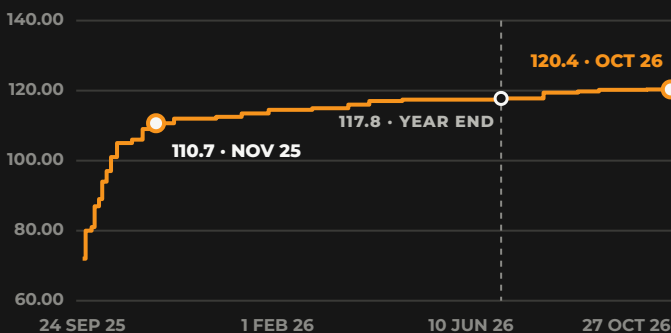
Alongside these tools, we will continue to develop products designed to grow sats per share and to support the share price together. Lightning routing income adds Bitcoin to the treasury without issuing any new shares. The Ordinary Backed Loans facility, described on page 20, under which eligible shareholders would borrow Bitcoin from B DEPLOY, is structured so that either outcome at maturity, repayment or non-repayment, increases sats per share. Our aim is to use both measures to the advantage of the Company and its shareholders, in a way that remains responsible, prudent and disciplined.

+8.8%

110.7 → 120.4 SATS PER SHARE

Since the proceeds of admission were deployed in November 2025, sats per share has risen from 110.7 to 120.4 by 27 October 2026, an increase of 8.8%, delivered during a period of falling Bitcoin prices and with tools we are only just beginning to use.

SATS PER SHARE SINCE PROCEEDS OF ADMISSION WERE DEPLOYED (NOVEMBER 2025)



SOURCE: BHODL.COM ANALYTICS

ON A FULLY DILUTED BASIS

On a fully diluted basis the picture changes very little. At 27 October 2026, after the year end, we had 139,079,691 ordinary shares in issue, including 300,000 shares bought back and pending cancellation, against 2,950,000 share options held by directors and officers, 1,541,732 warrants and the shares issuable on conversion of the 2.1 BTC of convertible loans at 11.55p, a combined potential dilution of around 4% of shares in issue.

ORDINARY SHARES IN ISSUE

139,079,691

at 27 October 2026,
including 300,000
pending cancellation

SHARE OPTIONS

2,950,000

held by directors and
officers.

WARRANTS

1,541,732

exercisable at 14p

CONVERTIBLE LOANS

2.1 BTC

convertible at
11.55p

COMBINED POTENTIAL DILUTION

≈ 4%

of shares in issue

The options and warrants are all exercisable at 14p, well above both the current share price and net asset value per share, so any exercise would bring cash into the Company at a price that increases sats per share. Of the warrants, the 1,398,875 held by CoinCorner can only be exercised if the Company's market capitalisation reaches £1 billion before the fifth anniversary of admission, and the remaining 142,857, held by First Sentinel, our AQSE corporate adviser, can be exercised until the third anniversary of admission. The two convertible loans convert at 11.55p, above net asset value per share, and any conversion would settle those loans in shares rather than by repaying the Bitcoin.

WARRANTS IN ISSUE

1,541,732 TOTAL WARRANTS

CoinCorner

FOUNDER & STRATEGIC PARTNER

WARRANTS

1,398,875 at 14p

EXERCISE PERIOD

Up to the fifth anniversary of Admission

CONDITION

Exercisable only if B HODL's market capitalisation reaches or exceeds **£1 billion**

First Sentinel

AQSE CORPORATE ADVISER

WARRANTS

142,857 at 14p

EXERCISE PERIOD

Up to the third anniversary of Admission

CONDITION

Not subject to any performance condition

Sats per share is calculated on total Bitcoin held, including Bitcoin received under the Company's Bitcoin-denominated convertible loans, divided by ordinary shares in issue. Figures from bhodl.com analytics, with the 8.8% increase calculated by B HODL from those figures. Shares in issue per Company share register, 27 October 2026. Options and warrants per B HODL Plc financial statements for the year ended 30 June 2026, note 16. Conversion price and terms per B HODL RNS, 4 December 2025.

ORDINARY BACKED LOANS

The next step, for shareholder approval at the 2026 AGM, is Ordinary Backed Loans: a facility under which eligible shareholders would borrow Bitcoin from B DEPLOY, a proposed wholly owned subsidiary, against a charge over their own ordinary shares. To the Board's knowledge, it is the first facility of its kind within a listed Bitcoin treasury company's group, and it is designed so that either outcome at the end of the loan increases sats per share.

How it works

An eligible shareholder borrows Bitcoin from B DEPLOY for a term of 12 months, secured on a fixed number of their own ordinary shares. The number of shares charged and the Bitcoin premium payable on repayment are both fixed when the loan is made, and there are no margin calls or top-ups during the term, so the borrower knows from the outset exactly what each outcome will mean for them. At the end of the term the borrower makes a straightforward commercial decision, and neither choice is treated as a default.



Two outcomes, both accretive

OUTCOME 1

Repayment

If the borrower repays B DEPLOY the Bitcoin borrowed plus the premium, the charged shares are released in full, leaving the treasury with more Bitcoin backing the same number of shares.

OUTCOME 2

Non-repayment

If the borrower chooses not to repay, the charged shares pass to the Company and are cancelled in full settlement of the loan, leaving the remaining Bitcoin backing fewer shares.

Shareholder loans would be made by B DEPLOY, using Bitcoin lent to it by B HODL. The premium on each loan is set by reference to the Company's mNAV when that loan is made, and B HODL will only fund a loan where the Board has determined at that point that sats per share will be higher under either outcome than it was before the loan. That is what sets the facility apart, because the borrower's decision works in favour of the shareholders who remain, whichever way it goes.

STRUCTURING: B DEPLOY AS SOLE LENDER

Loans would be made by B DEPLOY, a wholly owned subsidiary of B HODL to be incorporated for this purpose, acting as sole lender and secured creditor. B DEPLOY has not yet been incorporated and was not part of the Company during the year ended 30 June 2026. B DEPLOY would never take title to a borrower's shares. On non-repayment the shares would be acquired and cancelled by B HODL itself, under the authority for OBL Purchases sought in Resolution 6 at the AGM, which keeps the arrangement within the Company's existing share-cancellation framework.

Directors may participate on the same terms, subject to the Company's share dealing requirements and Lock-In Agreement, and any Director connected with a transaction will not take part in the Board's decision on it.

Subject to shareholder approval at the 2026 AGM. Full terms are set out in the AGM Circular, and this page summarises the facility for shareholder context rather than substituting for it.

LIGHTNING IS EARLY IN ITS ADOPTION CURVE, AND **NOT ONLY AMONG HUMANS**

Autonomous AI agents can already write code and run workflows, but they cannot open a bank account, pass KYC checks or hold a credit relationship, because traditional payment rails were built for humans. Lightning, which is permissionless, programmable and settles in seconds, is the rail that agents can actually use, and it is one of the markets we have spent this year building to serve.

\$28bn

Generative AI model spending, 2026 (Gartner)

Forecast worldwide spending on generative AI models in 2026, rising to more than \$50bn in 2027 (Gartner), a portion of which could shift to Lightning-native settlement as agent tooling matures (see page 22).

ILLUSTRATIVE ONLY - NOT A FORECAST



THE DEMAND LOOP

WHY THIS THESIS COMPOUNDS, NOT JUST GROWS



More users create demand, demand requires liquidity, and liquidity strengthens the network. A stronger network then attracts more users, increasing activity and fee generation, and it is this loop, rather than any single adoption event, that our Lightning demand thesis depends on.

WHY THIS MATTERS FOR B HODL

MISSION: COMPOUND BITCOIN

Most investors in this sector are still watching the Bitcoin price and conventional adoption metrics, and few have positioned themselves for machine-native payment demand. As an operating Lightning node with live liquidity infrastructure, B HODL is built to capture routing and liquidity revenue as this demand materialises, a thesis independently examined in ZeusLN's "Lightning Economics" report, which formalises Lightning Routing Income (LRI) as a third category of Bitcoin treasury return, citing B HODL among the early operators reporting positive yield.

Sources: Gartner, Gartner Forecasts Worldwide AI Spending to Grow 49.5% in 2026, 16 September 2026 (gartner.com). ZeusLN, Lightning Economics: The Bridge Between Bitcoin's Two Identities, April 2026 (zeusln.com).

AN INFRASTRUCTURE GAP, FULL OF OPPORTUNITY

AI agents can manage workflows, send emails and execute complex multi-step tasks. Traditional financial rails were never built for autonomous software acting at machine speed, and agents built on open-source frameworks such as OpenClaw are already interacting at scale, with agent-only networks such as Moltbook reporting over a million registered agents³, all needing to pay for API access, data feeds and computation as they go.

Lightning as the agent-native rail

Via the L402 protocol, which repurposes the internet's long-dormant HTTP 402 "Payment Required" status code, an agent that hits a paywall can simply pay a Lightning invoice automatically and carry on, with no identity check, bank account, or signup flow required.

402

"PAYMENT REQUIRED"

The multiplier effect

A human might make the occasional Lightning payment. A single autonomous agent managing multiple workflows can make hundreds of micropayments an hour, and agents that sell services to other agents create closed-loop economies that exist entirely on Lightning.



CASE STUDY

FEWSATS AND THE L402 STANDARD

Lightning Labs published L402 as an open standard for machine-payable APIs, and Fewsats, a Lightning-focused startup, built the SDK and marketplace layer on top of it specifically for AI agents. An LLM agent using ordinary tool-calling (in the same style as OpenAI function-calling or Anthropic's MCP) can hit a priced endpoint, receive a 402 response carrying a Lightning invoice, pay it in-line from its own wallet, and retry the request automatically - the entire negotiation and settlement happening machine-to-machine, with no human, card form, or KYC step anywhere in the loop. It is a working demonstration, not a proposal, of exactly the agent-to-agent Lightning commerce this thesis depends on.¹

1

AGENT HITS A PRICED
ENDPOINT



2

402 RESPONSE
CARRIES A LIGHTNING
INVOICE



3

AGENT PAYS IN-LINE
FROM ITS OWN
WALLET



4

REQUEST RETRIED
AUTOMATICALLY

OUR AI TESTING

Throughout the year we have tested this thesis in practice rather than leaving it on paper. In April 2026 our team asked an AI agent, built on the OpenClaw framework, to buy a £10 Amazon gift card, and the agent used Bitrefill's agent-native commerce tools⁴ to find the product, generate a Lightning invoice, pay it from its own Bitcoin wallet and retrieve the gift card code, all in under a minute and for a network fee of 28 sats, or roughly two US cents. Once the instruction had been given no person was involved, and at no point was a card or bank account needed, which is precisely the kind of transaction we expect to become routine as agents take on more of the work of the internet.

£10

Amazon gift card bought by an OpenClaw agent, April 2026

< 1 min

to find, invoice, pay and retrieve the code

28 sats

network fee, roughly two US cents

Inside the business

We have since put the same capability to work inside the business. Our own AI agent now makes autonomous payments for Free Sats Friday, our weekly Lightning giveaway, and partial automation of the weekly distribution is live.

Built for what comes next

And we have built for what comes next. The LSP platform launched in May 2026 was designed from the outset to serve AI agents as well as developers and businesses, with inbound liquidity available programmatically through an API built to the open LSPS1 standard. As agent-driven payments grow, we expect that demand to flow to the infrastructure providers already serving it, B HODL among them.

THE INVESTMENT CASE, STATED PLAINLY

Traditional payment processors cannot serve autonomous agents, and banks cannot adapt KYC requirements for artificial entities. Only a programmable, permissionless payment network can. Gartner forecasts worldwide spending on generative AI models of \$28bn in 2026, rising to more than \$50bn in 2027², while Lightning currently carries around \$1 billion a month, so even a modest share of that spending moving to Lightning-native, agent-to-agent settlement would be significant relative to current network activity. Companies building Lightning liquidity today, including B HODL, are positioning for demand growth that most public-market investors have not yet priced in (see page 26 for how this connects to our own reported Lightning Routing Income).

Adapted from "The Lightning Infrastructure Play - AI Agents: The Next Demand Surge" (B HODL Blog, March 2026) and "Lightning Network Commerce Revolution: agents won't pay with sterling" (B HODL Blog, April 2026). Sources: 1. Lightning Labs (L402 protocol) and Fewsats (L402 SDK and agent-payment marketplace) - publicly documented developer tooling for AI-agent payments over Lightning (docs.lightning.engineering, fewsats.com). 2. Gartner, 16 September 2026 (gartner.com); Lightning volume per River, Bitcoin Adoption Report 2026 (river.com/learn). 3. OpenClaw open-source agent framework; Forbes, Inside Moltbook, 31 January 2026 (forbes.com). 4. Bitrefill agent commerce tools (docs.bitrefill.com). The US dollar value of the 28-sat network fee was converted by B HODL at the approximate Bitcoin price at the time of the transaction.

STABLECOINS ON LIGHTNING: DOLLARS MOVING ON BITCOIN'S NETWORK

Tether, the issuer of USDT, has been working to bring its stablecoin natively onto Bitcoin and the Lightning Network through Taproot Assets, an integration first announced in January 2025. We regard this as significant evidence that Lightning is becoming production-grade payment infrastructure at institutional scale, and as a new source of demand for the Bitcoin liquidity we provide.

This is the move B HODL flagged as a thesis, not a certainty, in its own pre-IPO fundraising materials: Lightning is a payment rail for any tokenised asset, not only Bitcoin itself.

01 WHAT HAPPENED

Tether has framed the move as a return to Bitcoin, where USDT was first issued on the Omni Layer in 2014 before expanding to Ethereum, Tron and other networks.

Tether has also backed the surrounding infrastructure directly, leading an \$8m round in Speed, a Lightning-native payments processor, in December 2025 and a \$7.5m seed round in Utxo, which is building RGB-based settlement for USDT on Bitcoin, in March 2026. These are two distinct technical paths, Taproot Assets and RGB, and both are still maturing.



02 WHY IT'S GENUINE VALIDATION

Stablecoin transaction volume reached a record \$33 trillion in 2025, and Tether alone accounts for roughly 60% of a stablecoin market of around \$300 billion. Even a modest share of that volume moving to Lightning-based rails would dwarf current Lightning-native Bitcoin payment volume.

Tether's own balance sheet held close to 99,000 BTC (approximately \$5.8bn) at 30 June 2026, so this is capital allocation by a company already structurally aligned with Bitcoin, not an opportunistic bolt-on.

WHAT IT MEANS FOR B HODL

Stablecoins on Lightning run on Bitcoin. Under the Taproot Assets design, USDT is held in asset channels only at the edges of the network. Specialist edge nodes convert each payment into Bitcoin, which then travels across ordinary Bitcoin channels, like those B HODL operates, before being converted back at the other end. Routing nodes along the way earn their fees in sats without holding any stablecoin. Every dollar that moves over Lightning in this way needs Bitcoin liquidity to reach its destination.

Stablecoin users gain access to Lightning, while the network that carries their payments is funded, secured and settled in Bitcoin. That is consistent with our view that Bitcoin's roles as a store of value and a medium of exchange reinforce each other.

There is a further opportunity. Edge nodes earn routing fees and a spread on each conversion, and running one requires Taproot Asset channel capacity alongside Bitcoin liquidity. B HODL does not operate an edge node today. Whether to add that capability is a decision the Board will take on its merits, judged, like every decision, by its effect on Bitcoin per share.

Sources: Tether, Tether Brings USDT to Bitcoin's Lightning Network, 30 January 2025, and Tether Leads \$8M Strategic Investment in Speed, 16 December 2025 (tether.io). Wamda, Utxo raises \$7.5 million seed led by Tether, 16 March 2026 (wamda.com). Bloomberg, using Artemis Analytics data, 8 January 2026 (bloomberg.com). Defillama stablecoins dashboard, 1 October 2026 (defillama.com). Tether Q2 2026 results and BDO attestation, July 2026 (tether.io). Lightning Labs, Taproot Assets: Edge Nodes (docs.lightning.engineering).

BEYOND THE LUCKY BILLION

Bitcoin is not just a store of value, and Lightning is not just a means of paying in Bitcoin: it is a payment rail in its own right. Only around one billion people, roughly 13% of humanity, live with both a reserve currency and the rule of law, and so enjoy reliable payment rails and comparatively stable money. Everyone else, plus a meaningful portion of that lucky billion who want an alternative to a currency they see being debased, is this market's real addressable size.

Unstoppable payments

For the well-banked, a permissionless payment rail is a convenience. For someone whose access to money can be cut off by a sanctions regime, a currency collapse, or a government that simply chooses to freeze an account, it is the difference between having money and not. That is the market Lightning is built for: value that moves without asking permission.

A rail for any asset, not only Bitcoin

Lightning already carries Bitcoin itself, and Tether has announced that it is bringing its USDT stablecoin onto the network (see page 24). Bitcoin and its Lightning network are among the most robust, most attacked, and most resilient payment infrastructure in existence, and over time issuance of tokenised real-world assets tends to gravitate toward the most secure network available to carry it.

CASE STUDY

MISSION: COMPOUND BITCOIN

Financial inclusion is not an abstraction

None of the following are B HODL programmes, customers or partners, and none of these individuals or organisations endorse B HODL. They are independent, publicly reported examples that illustrate the demand this report's thesis depends on.



Roya Mahboob

Afghan technology entrepreneur and founder of the Digital Citizen Fund - after Afghanistan's banking system was disrupted following the 2021 Taliban takeover, cutting many women out of formal finance, she has spoken publicly about paying female staff directly in Bitcoin to bypass a banking system that could no longer serve them.¹



Masih Alinejad

Iranian-American journalist and founder of the "My Stealthy Freedom" movement - human-rights advocates have cited her case as an example of Bitcoin donations reaching activists when conventional transfers into or within an authoritarian state are blocked or monitored by the regime being opposed.²



Bitcoin Ekasi

Mooiplaas township near Mossel Bay, South Africa - a community project where local businesses accept Bitcoin over Lightning and residents earn small amounts of Bitcoin for community work, building a circular local economy denominated in Bitcoin rather than the rand.³

WHY THIS SHAPES WHERE B HODL DOES BUSINESS

This is why a meaningful share of B HODL's own business development effort is directed at the global south rather than at markets already well served by conventional payment rails: the need is greatest, and therefore the growth in Lightning liquidity demand is likely to be greatest, where existing financial infrastructure is weakest. Our market for Lightning services is global by nature, not by ambition.

Sources: 1. Reporting on Roya Mahboob and the Digital Citizen Fund following the 2021 Afghan banking disruption (technology and business press). 2. Human Rights Foundation commentary on Bitcoin donations reaching Iranian activists including Masih Alinejad. 3. Bitcoin Ekasi community project, Mooiplaas, South Africa (Bitcoin Magazine and community reporting). 4. Alex Gladstein, Why Bitcoin Is Freedom Money, Journal of Democracy, October 2025 (journalofdemocracy.org). Further reading: River's "Bitcoin Adoption Report" (2026) and "Lightning Network Report" (2023).

POST-PERIOD INDICATIVE BITCOIN YIELD RESULTS

Our first year was spent building the infrastructure to put Bitcoin to work on Lightning. This page gives shareholders an early and deliberately high-level view of what that infrastructure has begun to produce since the year end. The figures are indicative management data drawn from our weekly node reports. They are unaudited, they cover a short period at an early stage of deployment, and they are a direction of travel rather than a forecast or a run rate.

~2x

Growth in total channel capacity since 30 June 2026, from c.5.8 BTC to over 11.7 BTC.

>\$1m

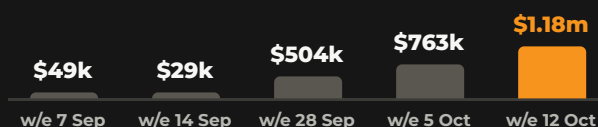
Value routed through our nodes in a single week by mid-October, up from under \$50,000 in the first week of data.

10.2%

Highest annualised yield on capacity achieved by one node in one week. Blended across all nodes in the same week: 4.6%.

THE TREND ACROSS FIVE WEEKLY REPORTS

VALUE ROUTED PER WEEK (USD)



BLENDED ANNUALISED YIELD ON CAPACITY



NODE SNAPSHOT - 30 DAYS TO 14 OCTOBER 2026

bhodi-public-01 LIQUIDITY ROUTED FEES
71 CHANNELS 6.89 BTC 13.97 BTC 0.00167 BTC

bhodi-public-02 LIQUIDITY ROUTED FEES
12 CHANNELS 4.98 BTC 18.60 BTC 0.01599 BTC

What the data shows

Capacity and activity scaled together. Channel capacity across our public nodes roughly doubled. Value routed grew far faster, from under \$50,000 a week to over \$1.1 million, and weekly routing fees, which are paid to us in Bitcoin, rose roughly sixteen-fold over the period.

Yield is uneven, as we expect. In the latest week our best-performing node annualised at over 10% on its capacity, while our other node earned well under 1%. Which channels and counterparties route most is the core skill of running a node, and we expect wide dispersion to persist.

How to read these numbers

Annualised, and early. Yield is weekly routing fees divided by channel capacity, annualised. One strong week does not make a yearly return, and routing volume can fall as readily as it rises. Past results are not a guide to future returns.

Still small against costs. Fee income remains modest relative to the c.£550,000 annual running cost base on page 17. Our aim, as set out there, is for Bitcoin-denominated income to cover more of those costs over time.

THE INFRASTRUCTURE IS IN PLACE. DEPLOYMENT CONTINUES.

The preparatory work of building our Lightning yield infrastructure is complete. At 12 October just over 11.7 BTC was committed to channels, under a tenth of the 167.487 BTC held at 27 October 2026, which leaves substantial room to deploy. During the next financial year the Board intends to continue deploying additional Bitcoin into these yield strategies, each judged against the same test as every allocation: whether it increases Bitcoin per share.

Source: B HODL weekly node reports for the weeks ended 7 Sep, 14 Sep, 28 Sep, 5 Oct and 12 Oct 2026 (management data, unaudited); w/e 21 Sep not shown. Yield = weekly routing fees ÷ total channel capacity, annualised (×52); indicative only. Capacity as reported across our public nodes. USD at BTC/USD at the time of each report (\$77,793 to \$86,172). Node snapshot: B HODL node dashboards, 30 days to 14 Oct 2026; liquidity = local balance.

A VOICE IN THE ROOM, NOT JUST A LICENCE TO OPERATE

We continue to position B HODL at the centre of Bitcoin's institutional maturation in the United Kingdom. This is the engagement the Board believes benefits the Company, the wider industry and our shareholders alike.

Bitcoin may exist in the digital realm, but it does not exist in a vacuum. Understanding of Bitcoin in Parliament and among regulators is still developing, as it is for any emerging asset class, and we have deliberately positioned ourselves to help this development. Rather than treat regulation as a constraint to be endured, we regard constructive engagement as a commercial asset: the means by which the rules for Bitcoin's next decade are being written, and the best way to help ensure they are written well, to the benefit of all companies operating in this sector.

ALL-PARTY PARLIAMENTARY GROUP

CRYPTOUK ADVISORY BOARD

The centrepiece has been our appointment to the Advisory Board of CryptoUK, in support of its role as secretariat to the Crypto and Digital Assets All-Party Parliamentary Group (APPG). This puts us in the room when new laws are proposed, when changes to regulation are suggested and when misconceptions need to be corrected.

The APPG provides a standing forum in which parliamentarians, regulators and industry work together on the UK's digital assets framework. Our place on its secretariat's Advisory Board matters because it helps ensure that a Bitcoin-only perspective is represented in Westminster, one distinct from the wider crypto industry and, the Board believes, too often missing from the policy conversation. As the year progressed we began attending Parliamentary roundtables and contributing evidence in support of the UK Bitcoin industry, and we will report further as that programme continues.

FCA & HM Treasury

We follow, and contribute to, the regulatory and tax developments emerging from the FCA's consultations and HM Treasury's draft legislation. Two stand out this year.

Tax treatment of Bitcoin used as collateral

Draft legislation has been published on a range of tax matters, including a proposed "no gain, no loss" treatment for Bitcoin deployed as collateral in lending arrangements. This has been a central focus of our advocacy for some time, and we welcome the proposal taking shape. If enacted, it would be a significant development for Bitcoin lending in the UK, removing a distorting tax charge from what is in substance a borrowing, not a disposal.

The FCA authorisation framework

The FCA has consulted on guidance setting out what authorisation will require of market participants, an important step towards clarity and coherence across the ecosystem, and one that bears directly on the regulated future we are building towards.

ACTIVE ENGAGEMENT THREADS

Taken together, these developments show that B HODL is not a passive participant in the UK market but an active contributor to the framework that will apply across our industry. This is slow, patient work, built on trust and relationships over time, and it is what distinguishes a company inside the policymaking process from one that is merely subject to it.

01

The FCA & Parliament

Constructive discussions with the FCA's Head of Digital Assets, and an advisory role with the secretariat to the All-Party Parliamentary Group on Crypto and Digital Assets.

02

HMRC consultation

Contributed to HMRC's consultation on the tax treatment of cryptoassets used in payments, arguing that Bitcoin used as a means of payment should be exempt from Capital Gains Tax.

03

Debanking inquiry

Submitted evidence to the Parliamentary inquiry into debanking and the financial roadblocks faced by individuals and businesses in the UK Bitcoin sector.

04

UK Bitcoin Ecosystem Grant Initiative

Our first grant was awarded to Brink, supporting open-source Bitcoin protocol development. We continue to seek out further UK-based causes and founders to support. While we have so far been prudent with grant funding given market conditions, the Board regards the programme as a key part of supporting Bitcoin adoption and the wider UK ecosystem.

05

Wider outreach

We continued to take part in UK and international Bitcoin community events, including Bury St Edmunds Bitcoin, the Oslo Freedom Forum, BTC Prague, Bitcoin Ireland, Bitfest in Manchester and the Bitcoin Treasuries Unconference in Bristol. By invitation, we also attended the Global Freedom Tech Summit in Nashville and the Africa Bitcoin Conference, and we will be attending the Bitmela Bitcoin conference in Jaipur, where our Chief Executive has personally sponsored new developers from his own funds.

Our focus on the global south follows from the analysis in 'Beyond the Lucky Billion' on page 25. Bitcoin's payment functionality, and so the business and retail customers for the liquidity we provide, tends to cluster where existing payment systems and rails serve people least well. The Board therefore believes that central and southern Africa and India are ideal target markets for both our routing and LSP businesses, whether in relation to liquidity provision to Lightning-enabled products and services in those markets, or simply via our routing business itself.

06

Bitcoin Corporate Day & continued ministerial engagement

After the year end, in September 2026, our Chief Executive, Freddie New, spoke at Bitcoin Corporate Day at the Honourable Artillery Company in London, a closed-door forum for 350 senior decision-makers held under the Chatham House Rule. Separately, we held a one-to-one meeting with a former UK government minister on the state of the UK Bitcoin and digital assets industry, as well as roundtable meetings that included other former ministers and a former Prime Minister. We will share further detail when we are able to.

Sources: B HODL responses to FCA Consultation Paper CP26/13 (Cryptoasset Perimeter Guidance), to HMRC's call for evidence on the taxation of stablecoins and other cryptoassets, and to the Crypto and Digital Assets APPG inquiry into access to banking, published at blog.bhodl.com.

THE BOARD



David Jaques
Non-Exec Chairman



Frederick New
Chief Executive Officer



Daniel Scott
Chief Bitcoin Officer



David Boylan
Chief Financial Officer



Zakk Lakin
Chief Technical Officer



Russell Allen Farrington
Non-Executive Director

BOARD COMMITTEES

AUDIT COMMITTEE

Chaired by David Jaques, with Russell Allen Farrington; oversight of financial reporting and auditor recommendation (Edwards Veeder (UK) Limited)

RISK COMMITTEE

Chaired by David Jaques, with Russell Allen Farrington; risk appetite, identification and mitigation; maintains the Company's risk register and reviews principal risks and mitigations on a regular basis

REMUNERATION COMMITTEE

Chaired by Russell Allen Farrington, with David Jaques; director and officer compensation

AQUIS RULE COMPLIANCE COMMITTEE

Chaired by Russell Allen Farrington, with Frederick New; AQSE Growth Market Rules compliance

DIRECTORS' SHARE PURCHASES

During the year, four directors bought shares in the market: Frederick New, 210,350 shares in four purchases between September 2025 and May 2026; Daniel Scott, 38,984 shares; David Boylan, 41,666 shares; and Zakk Lakin, 40,322 shares, all in October 2025. Each purchase was announced by RNS.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board, through the Risk Committee, reviews the principal risks and their mitigations regularly.

RISK	NATURE	MITIGATION
Bitcoin price volatility	The large majority of the Company's assets are held in Bitcoin, carried at fair value, so movements in the Bitcoin price drive reported results and net assets, as the revaluation loss for the year shows. A 10% fall in the Bitcoin price at 30 June 2026 would have increased the loss for the year by approximately £0.73 million.	The Board manages Bitcoin per share rather than sterling value, keeps fiat obligations low relative to the treasury, and issues or buys back shares only where accretive to Bitcoin per share.
Liquidity	At 30 June 2026 the Company held working capital reserves of approximately £1.09 million, comprising cash, USDT and funds placed with CoinCorner, against annual running costs of approximately £550,000.	These reserves are supplemented as needed by revenue, the Bitcoin-backed loan framework, the ATM and, if required, the sale of Bitcoin. USDT is a US dollar stablecoin and carries issuer and exchange-rate risk. The Directors have concluded that the Company is a going concern (page 31).
Custody and security	Bitcoin committed to Lightning channels is held in hot wallets connected to the network and carries operational and security risk beyond Bitcoin held in cold storage.	The Company's nodes are managed under the CoinCorner Services Agreement.
Lightning counterparty and network risk	Channels depend on peers and on the Lightning protocol. Peer failure, force-closure or protocol faults could temporarily lock or reduce liquidity.	The Company diversifies its channels and monitors its nodes daily.
Regulatory change	The regulatory and tax framework for cryptoassets is still developing (page 27), and changes could affect how the Company holds Bitcoin or operates its Lightning business.	The Company engages directly with the IOM FSA, the UK FCA, HM Treasury and HMRC, and takes legal advice on new products.
Related party dependence	The Company relies on CoinCorner, a significant shareholder whose directors and employees sit on the Board, for operational services, node management, its Bitcoin-backed loan, the holding of funds in fiat and USDT, and the Rewards Account. Bitcoin in the Rewards Account, Bitcoin pledged as collateral under the loan and the USDT reserves are held with CoinCorner as counterparty.	These arrangements are documented and subject to due diligence and counterparty risk assessment, and matters involving CoinCorner are approved by the Independent Directors alone.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of B HODL Plc for the year ended 30 June 2026.

Incorporation and listing

The Company was incorporated in the Isle of Man in June 2025, with registered number 022742V. Its ordinary shares were admitted to the Access segment of the AQSE Growth Market in September 2025 and are also quoted on the OTCQB market in the United States and on the Frankfurt Stock Exchange.

Principal activities

The Company holds Bitcoin as its primary treasury asset and undertakes Bitcoin-related operating activities, principally the operation of Lightning Network nodes, the routing of Bitcoin payments and, since May 2026, the provision of Lightning liquidity services. A review of the business and the Company's strategy is set out on pages 03 to 28.

Results and dividends

The loss for the year was £7,844,653 (period from incorporation to 30 June 2025: £46,000), of which £6,481,582 was a revaluation loss on the Company's cryptoassets. The results are reviewed on page 33. The Directors do not recommend the payment of a dividend.

Principal risks and uncertainties

The principal risks facing the Company, and how they are managed, are set out on page 30.

Going concern

The Directors have assessed the Company's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. In doing so they have considered the Company's cash position, a forecast average net cash outflow of approximately £52,000 a month, reducing to approximately £46,000 a month from the end of October 2026, and the resources available to meet it, including working capital reserves of approximately £1.09 million at 30 June 2026, held in cash, USDT and funds placed with CoinCorner, the Company's Bitcoin, carried at approximately £7.36 million at that date and realisable if required, the Bitcoin-backed loan framework and the ATM. On that basis the Directors have a reasonable expectation

that the Company has adequate resources to continue in operational existence for the foreseeable future, and the financial statements have therefore been prepared on the going concern basis.

Directors

The Directors who served during the year and up to the date of this report were David Jaques (Non-Executive Chairman), Frederick New (Chief Executive Officer), Daniel Scott (Chief Bitcoin Officer), David Boylan (Chief Financial Officer), Zakk Lakin (Chief Technical Officer) and Russell Allen Farrington (Non-Executive Director). The Board and its committees are described on page 29.

Directors' interests

The interests of the Directors in the ordinary shares of the Company at 30 June 2026, which were unchanged at the date of this report, and their share options were as follows:

DIRECTOR	SHARES	OPTIONS
Daniel Scott	2,396,127	300,000
Frederick New	2,210,350	300,000
David Boylan	2,041,666	300,000
Zakk Lakin	2,040,322	300,000
Russell Allen Farrington	2,000,000	300,000
David Jaques	nil	300,000

The options were granted on admission in September 2025, are exercisable at the issue price of 14 pence per share and vested on the first anniversary of admission. Other than these, no options were granted to Directors during the year.

Substantial shareholdings

As at 27 October 2026, the following shareholders held 5% or more of the Company's 139,079,691 ordinary shares in issue: Adam Back, 35,999,999 shares (25.88%); CoinCorner Limited, 20,000,000 shares (14.38%); Rise Investments Ltd, 14,089,285 shares (10.13%); and Alexander Holt, 8,571,428 shares (6.16%).

Share capital

At 30 June 2026 the Company had 141,366,091 ordinary shares in issue. Shares were issued during the year on admission and under the ATM (page 15). Details of share capital, share options and warrants are given in the notes to the financial statements.

Related party transactions

Transactions with CoinCorner Limited, a significant shareholder whose directors and employees sit on the Board, are disclosed in the notes to the financial statements. Related party transactions requiring announcement under Rule 4.6 of the AQSE Growth Market Access Rulebook were announced at the time.

Events after the year end

In July 2026 the Company completed its first share buy-back programme, buying back and cancelling 1,984,400 ordinary shares. In July 2026 the Company also drew down £100,000 under its Bitcoin-backed loan framework with CoinCorner, and the £475,000 placed with CoinCorner and the Company's USDT holdings were returned to the Company. In August 2026 it launched a second buy-back programme, signed a non-binding letter of intent with Zeus, and agreed Change Order No. 1 to the CoinCorner Services Agreement, under which the leased Lightning node was decommissioned and removed from the agreement. In September 2026 it completed its second ATM programme, purchased a further 1 BTC and launched a third ATM programme, under which 600,000 shares were issued. By 27 October 2026, 250,000 of those shares had been sold under the third ATM programme and 1,202,000 bought back under the second buy-back programme, of which 300,000 were pending cancellation. In October 2026 the Independent Directors approved a reduction in the monthly service fee under the CoinCorner Services Agreement from £10,000 to £5,000, with effect from 1 July 2026, reflecting the Company's Lightning infrastructure having reached a stage of development at which less operational support is required. This was a Related Party Transaction under Rule 4.6 of the AQSE Access Rulebook and is announced alongside these results.

Corporate governance

The Company has adopted the QCA Corporate Governance Code (2023) on a comply or explain basis, having due

regard to a recognised corporate governance code as required by Rule 2.8 of the AQSE Growth Market Access Rulebook. The Board's governance arrangements are described on page 29 and in the Corporate Governance Policy published on the Company's website, which sets out the Board's view on its composition.

Auditor

Edwards Veeder (UK) Limited has indicated its willingness to continue in office, and a resolution for its re-appointment will be proposed at the 2026 Annual General Meeting.

Disclosure of information to the auditor

So far as each Director is aware, there is no relevant audit information of which the auditor is unaware, and each Director has taken all the steps that ought to have been taken to become aware of any relevant audit information and to establish that the auditor is aware of it.

Statement of Directors' responsibilities

The Directors are responsible for preparing this report and the financial statements in accordance with applicable law and UK-adopted international accounting standards. In preparing the financial statements, the Directors are required to select suitable accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. The Directors are responsible for keeping reliable accounting records as required by section 80 of the Isle of Man Companies Act 2006, for safeguarding the assets of the Company, including its Bitcoin, for taking reasonable steps to prevent and detect fraud and other irregularities, and for the maintenance and integrity of the Company's website.

Annual General Meeting

The 2026 Annual General Meeting will be held on Friday 20 November 2026 at 1.00 p.m. at the Broulot Room, The Comis Hotel, Mount Murray Back Road, Douglas, Isle of Man, IM4 2HT. The notice of meeting and resolutions are set out in the accompanying AGM Circular.

SIGNED ON BEHALF OF THE BOARD BY

Freddie New, Chief Executive Officer · 27 October 2026

Registered office
19-21 Circular Road, Douglas
Isle of Man, IM1 1AF

Sources: B HODL Plc financial statements, year ended 30 June 2026 (audited). B HODL RNS, 12 March 2026, 29 July 2026, 13 August 2026, 21 August 2026 and 3 September 2026. Corporate Governance Policy v1.1 (June 2026). Company share register, as at 27 October 2026. B HODL RNS, 22 September 2025 (admission).

FINANCIAL REVIEW

This review summarises our results for the year ended 30 June 2026, our first full financial year, and explains what drove them.

METRIC	FY26 (TO 30 JUN 26)	STUB PERIOD (2025)
Bitcoin treasury (BTC)	166.487	—
Revenue	£34,781	£0
Loss before tax	£(7,844,653)	£(46,000)
Administrative expenses	£(696,019)	—
Costs of incorporation and admission	£(714,664)	—
Loss per share (pence)	(6.87)	—
Net assets	£8,015,773	£(45,998)
Shares in issue	141,366,091	2

The result We report a loss before tax of £7.84 million for the year. Around 83% of it, £6.48 million, is a revaluation loss on our cryptoassets, principally Bitcoin, which is carried at fair value. It reflects the lower sterling price of Bitcoin at the year end, not a reduction in the Bitcoin we hold, which is the measure the Board manages to.

Revenue Revenue was £34,781, comprising Lightning routing and liquidity income and treasury income from the CoinCorner Rewards Account. After direct costs of £1,797, gross profit was £32,984. Growing Bitcoin-denominated income to cover more of our running costs is a stated aim (page 17).

Costs Administrative expenses were £0.70 million, with a further £0.71 million of costs of incorporation and admission to trading. Together these include £407,890 of non-cash items, principally £268,141 of share-based payments for the options granted at admission. Our ongoing costs run at approximately £46,000 a month (page 17). The other items were a £28,154 fair value gain on the convertible loans, a £4,602 revaluation loss on the USDT-denominated borrowings and finance costs of £9,330.

Balance sheet At 30 June 2026 we held 166.487 BTC, carried at £7.36 million, together with USDT of £0.60 million held with CoinCorner, and net assets were £8.02 million. Our liabilities were the convertible loans, carried at a fair value of £116,608, and £265,967 due to CoinCorner, principally under our Bitcoin-backed loan framework and secured on Bitcoin carried at £500,462. Cash at 30 June 2026 was £11,487, with a further £475,000 placed with CoinCorner and USDT of £0.60 million, giving working capital reserves of approximately £1.09 million. Running costs are met from these reserves, supplemented as needed by the Bitcoin-backed loan framework, the ATM and, if required, the sale of Bitcoin, and the Directors have concluded that the Company is a going concern (page 31).

Capital We issued shares for £15.64 million during the year, including £139,749 issued in settlement of fees. Most were issued at admission, and £49,550 was raised through the ATM, with every ATM sale accretive to Bitcoin per share (page 15). Shares in issue at 30 June 2026 were 141,366,091.

After the year end In July 2026 we bought back and cancelled 1,984,400 shares and drew down £100,000 under our Bitcoin-backed loan framework with CoinCorner, and the £475,000 placed with CoinCorner and our USDT holdings were returned to the Company. In September 2026 we completed our second ATM programme, made a further purchase of Bitcoin and launched a third ATM programme, under which 600,000 shares were issued, of which 250,000 had been sold by 27 October 2026. By 27 October 2026 a further 1,202,000 shares had been bought back under our second buy-back programme. Other events after the year end are set out in the Directors' Report.

The full financial statements, including the notes and the Independent Auditor's Report, follow this review.

Sources: B HODL Plc financial statements, year ended 30 June 2026 (audited). Running costs per page 17. Share of loss calculated by B HODL.

PART TWO

FINANCIAL STATEMENTS

The following pages set out the Company's financial statements for the year ended 30 June 2026, comprising the Independent Auditor's Report, the primary financial statements and the accompanying notes.

IN THIS PART

- 35** Independent Auditor's Report
- 38** Statement of Profit or Loss
- 39** Statement of Financial Position
- 40** Statement of Changes in Equity
- 41** Statement of Cash Flows
- 42** Notes to the Financial Statements
- 55** Company Information

Pages 03 to 33 set out the Company's narrative on strategy, market thesis, governance and the financial review; the financial statements begin here.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B HODL PLC

EV EDWARDS
VEEDER
CHARTERED ACCOUNTANTS
& BUSINESS ADVISORS

OPINION

We have audited the financial statements of B HODL Plc (the 'Company') for the year ended 30 June 2026 which comprise Statement of the Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2026 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Isle of Man Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing management's going concern assessment (including the arithmetic accuracy thereof) and associated cashflow forecasts for the period of 12 months from the date of approval of the financial statements;
- Challenging and reviewing the assumptions applied in the cashflow forecasts for reasonableness;
- Comparing the cashflow forecasts to historic financial information; and
- Performing sensitivity analysis where appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Intangible assets

Refer to Note 11 to the financial statements

The Company measured its cryptoassets at fair value at the reporting date. This fair value measurement is significant to our audit because the balance of cryptoassets of GBP7,961,050 as at 30 June 2026 and the revaluation loss on intangible assets of GBP 6,481,582 for the year then ended are material to the financial statements. In addition, these assets are held in digital wallets, which increase the risk regarding their existence, ownership and completeness, particularly in relation to custody controls and access rights.

Our audit procedures included, among others:

- Confirming wallet ownership and verifying access rights.
- Performing substantive testing of cryptoasset additions and disposal during the year, including realised and unrealised gains and losses.
- Agreeing fair values at transaction dates and at year-end using independent data sources.
- Assessing the adequacy of disclosures in accordance with IAS38 and IFRS13

We consider that the company's fair value of cryptoassets is supported by the available evidence.

Convertible loan

Refer to Note 13 to the financial statements

The Company measured its convertible loan at fair value with the changes in fair value recognised in the profit or loss. This fair value measurement is significant to our audit because the balance of convertible loan of GBP116,608 as at 30 June 2026 and the fair value change on convertible loan of GBP 28,154 for the year then ended are material to the financial statements. In addition, the Company's fair value measurement involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence;
- Checking arithmetical accuracy of the valuation model; and
- Assessing the disclosure of the fair value measurement in the financial statements.

We consider that the Company's fair value measurement of the convertible loans are supported by the available evidence.

INDEPENDENT AUDITOR'S REPORT

OUR APPROACH TO THE AUDIT

Our scoping of the company audit was tailored to enable us to give an opinion on the financial statements as a whole. The company was subject to a full scope audit.

OUR APPLICATION OF MATERIALITY

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be approximately GBP160,315, based on 2% of net assets.

We used different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at approximately GBP120,236 for the company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration.

We agreed to report to the directors all identified errors in excess of approximately GBP8,016. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Isle of Man Companies Act 2006 together with the UK adopted international accounting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), taxation legislation, and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors' and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within judgement and estimates, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of those charged with governance about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, and reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of nondetection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Section 80(c) of the Isle of Man Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's

members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Lederberg FCCA (Senior Statutory Auditor)
For and on behalf of
Edwards Veeder (UK) Limited
Chartered accountants & statutory auditor
4 Broadgate Broadway Business Park
Chadderton, Oldham OL9 9XA
27 October 2026

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

		FOR THE YEAR ENDED 30 JUNE 2026	PERIOD ENDED FROM 12 JUNE 2025 TO 30 JUNE 2025
	NOTE	GBP	GBP
Revenue	7	34,781	-
Direct costs		(1,797)	-
Gross profit		32,984	-
Other income		406	-
Fair value change on convertible loan		28,154	-
Revaluation loss on amount due to related party		(4,602)	-
Revaluation loss on intangible assets		(6,481,582)	-
Finance costs		(9,330)	-
Administrative expenses		(696,019)	(46,000)
Costs of incorporation and admission to trading		(714,664)	-
Loss before tax	8	(7,844,653)	(46,000)
Income tax expense	9	-	-
Loss and total comprehensive loss for the year/period		(7,844,653)	(46,000)
Basic and diluted loss per share (pence)	10	(6.87)	(23,000)

Source: B HODL Plc financial statements, year ended 30 June 2026.

READING THE NUMBERS

Revaluation loss on intangible assets

The Company's largest reported cost is an accounting revaluation of Bitcoin held as an intangible asset under IFRS treatment - not a cash loss or a trading loss.

Administrative expenses

Reflects a first year of costs as a listed company - professional fees, and building out the Board and management team from a standing start.

Revenue

The Company's first reported revenue, comprising Lightning routing and liquidity income and treasury income from the CoinCorner Rewards Account.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		2026	2025
	NOTE	GBP	GBP
NON-CURRENT ASSETS			
Intangible assets	11	7,974,635	-
		7,974,635	-
CURRENT ASSETS			
Prepayment and other receivables	12	510,497	-
Cash and cash equivalents		11,487	2
		521,984	2
CURRENT LIABILITIES			
Trade and other payables		98,271	26,000
Convertible loan	13	116,608	-
Amount due to a related party	14	1,106	20,000
		215,985	46,000
Net current assets		305,999	(45,998)
NON-CURRENT LIABILITIES			
Amount due to a related party – Non-current	14	264,861	-
Net assets		8,015,773	(45,998)
EQUITY			
Share capital	15	1,413,661	2
Share premium		14,224,624	-
Share option and warrant reserve		268,141	-
Accumulated losses		(7,890,653)	(46,000)
		8,015,773	(45,998)

Shares in issue at 30 June 2026: 141,366,091.

FINANCIAL STATEMENTS

STATEMENT OF CHANGE IN EQUITY

For the year ended 30 June 2026

	SHARE CAPITAL	SHARE PREMIUM	SHARE OPTION AND WARRANT RESERVE	ACCUMULATED LOSSES	TOTAL
	GBP	GBP	GBP	GBP	GBP
At incorporation – issue of share capital	2	-	-	-	2
Total comprehensive expense for the period	-	-	-	(46,000)	(46,000)
At 30 June 2025	2	-	-	(46,000)	(45,998)
At 1 July 2025	2	-	-	(46,000)	(45,998)
Total comprehensive expense for the year	-	-	-	(7,844,653)	(7,844,653)
Issued share options and warrants	-	-	268,141	-	268,141
Issued share capital	1,413,659	14,224,624	-	-	15,638,283
At 30 June 2026	1,413,661	14,224,624	268,141	(7,890,653)	8,015,773

Source: B HODL Plc financial statements, year ended 30 June 2026.

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	FOR THE YEAR ENDED 30 JUNE 2026	PERIOD ENDED FROM 12 JUNE 2025 TO 30 JUNE 2025
	GBP	GBP
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(7,844,653)	(46,000)
ADJUSTMENT FOR:		
Non-cash revenue	(34,781)	-
Non-cash direct costs	108	-
Finance costs	9,330	-
Non-cash payroll	103,499	-
Non-cash consultancy fee	36,250	-
Share options and warrants expenses	268,141	-
Fair value change on convertible loan	(28,154)	-
Revaluation loss on amount due to related party	4,602	-
Revaluation loss on intangible assets	6,481,582	-
	(1,004,076)	(46,000)
Change in trade and other receivable	(510,497)	-
Change in trade and other payable	72,271	26,000
Cash generated from operations	(1,442,302)	(20,000)
Interest received	-	-
Net cash outflow from operating activities	(1,442,302)	(20,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for intangible assets - domain names	(13,585)	-
Payment of USDT	(600,000)	-
Payment of bitcoin	(13,479,933)	-
Net cash outflow from investing activities	(14,093,518)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares	15,498,534	2
Proceeds from amount due to a related party	120,162	20,000
Repayment to amount due to a related party	(71,391)	-
Net cash inflow from financing activities	15,547,305	20,002
Net (decrease)/increase in cash and cash equivalents	11,485	2
Cash and cash equivalents at the beginning of the reporting period/year	2	-
Cash and cash equivalents at end of the reporting period/year	11,487	2

Source: B HODL Plc financial statements, year ended 30 June 2026.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

1 GENERAL INFORMATION AND BASIS OF PREPARATION

B HODL Plc (the "Company") was incorporated in the Isle of Man on 12 June 2025 under the Companies Acts 1931 to 2004 and was re-registered as a company under the Isle of Man Companies Act 2006 (registered number 022742V) on 6 August 2025. The address of the registered office of the company is 19-21 Circular Road, Douglas, IM1 1AF, Isle of Man.

The company is principally engaged in holdings of bitcoin, undertaking bitcoin related operational activities, primarily the operation of lightning nodes and routing Bitcoin payments through the lightning network. The shares of the Company have been listed on the AQSE Growth Market since 22 September 2025.

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards (IFRS).

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of intangible assets and convertible loan which are carried at their fair values.

GOING CONCERN

The Directors have assessed the Company's ability to continue in operational existence for at least 12 months from the date of approval of these financial statements.

The loss for the year mainly reflects the non-cash revaluation loss on the Company's bitcoin holdings. The Company's forecast average net cash

outflow is approximately £52,000 per month, reducing to approximately £46,000 per month from the end of October 2026 following a reduction in operating costs, which is met from GBP and USDT balances and, if required, the sale of bitcoin.

At 30 June 2026 the Company held USDT with a fair value of GBP603,135 and £475,000 placed with CoinCorner Limited under the Company's treasury arrangement, which were returned to the Company in full after the year end.

The Company's borrowings from CoinCorner Limited are secured on bitcoin and are subject to loan-to-value covenants (note 14). The Directors monitor covenant headroom, and the Company holds sufficient unpledged bitcoin to meet any margin call. The Directors have also considered the lenders' right to request early repayment of the convertible loans from December 2026, which would be settled in bitcoin (note 13), and the discretionary share buyback programme (note 21).

Having considered the Company's forecast cash flows, liquidity and borrowings, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the going concern assessment period, and consider it appropriate to adopt the going concern basis. The Directors do not consider that there are any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

2 ADOPTION OF NEW AND REVISED IFRS

In the current year, the Company has adopted all the new and revised IFRSs that are relevant to its operations and effective for its accounting year beginning on 1 July 2025. The adoption of these new and revised IFRSs did not result in significant changes to the Company's accounting policies, presentation of the Company's financial statements and amounts reported for the current year and prior years.

The Company has not applied the new IFRSs that have been issued but are not yet effective. IFRS 18 Presentation and Disclosure in Financial Statements, effective for periods beginning on or after 1 January 2027, will change the presentation of the statement of profit or loss and introduce new disclosures; the Company is assessing its impact. Other new IFRSs issued but not yet effective are not expected to have a material impact on the financial statements of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOREIGN CURRENCY

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in GBP, which is the Company's functional and presentation currency.

Transactions and balances in financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values

are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a nonmonetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

INTANGIBLE ASSETS - CRYPTOASSETS

Cryptoassets owned by the Company are derecognized when the Company has transferred all the risks and rewards of ownership by selling to verified third parties or through exchanges to obtain fiat currency delivered to its banking accounts, utilised by paying its vendors and personnel who accept this form of payment, or otherwise, losing control and therefore, access to the economic benefits associated with ownership of cryptoassets.

The IFRS Interpretations Committee ("IFRIC") published an agenda decision, Holdings of Cryptocurrencies, in June 2019, which clarifies how to apply the holdings of cryptocurrencies' classification, recognition and measurement within issued IFRS Standards.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

The IFRIC observed that a holding of cryptocurrency meets the definition of an (1) intangible asset in IAS 38 on the grounds that (a) it is capable of being separated from the holder and sold or transferred individually; and (b) it does not give the holder a right to receive a fixed or determinable number of units of currency; or (2) in certain circumstances, inventory in accordance with IAS 2. Based on this conclusion, the classification, recognition and measurement, and disclosure requirements of IAS 38 or IAS 2 should be applied in regards to Bitcoin. Management has assessed the impact of the IFRIC's agenda decision and determined that the Company's policies are consistent with the IFRIC decision.

The Company's cryptoassets (bitcoin and USDT) are held as long-term treasury assets and are accounted for under IAS 38 as intangible assets with an indefinite useful life. They are initially measured at cost and subsequently measured using the revaluation model in IAS 38, at fair value at the reporting date.

Increases in carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in a revaluation surplus within equity, except to the extent that they reverse a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss (IAS 38.85). Decreases are recognised in other comprehensive income to the extent of any credit balance in the revaluation surplus in respect of that asset; all other decreases are recognised in profit or loss (IAS 38.86). Gains and losses arising on disposal of cryptoassets are included within the revaluation gain or loss in profit or loss.

Cryptoassets are considered Level 2 in accordance with the fair value hierarchy as it is based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

INTANGIBLE ASSETS - OTHERS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Company's domain names are considered to have an indefinite useful life as they are renewable at minimal cost, are expected to be renewed indefinitely, and there is no foreseeable limit to the period over which they are expected to generate economic benefits. They are tested for impairment annually. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

RECOGNITION AND DERECOGNITION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Company transfers substantially all

the risks and rewards of ownership of the assets; or the Company neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

FINANCIAL ASSETS

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES

The Company recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Company measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

FINANCIAL LIABILITIES

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

CONVERTIBLE LOANS CONTAINING DEBT AND DERIVATIVE COMPONENTS

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

The Company has designated the convertible loans with debt component, holders' conversion option and issuer's conversion call option as financial liabilities at fair value through profit or loss. At the date of initial recognition and at the end of subsequent reporting periods, the convertible loans are measured at fair value with changes in fair value recognised directly in profit or loss in the period in which they arise. Transaction costs relating to the issuance of the convertible loans is charged to profit or loss.

BORROWINGS DENOMINATED IN CRYPTOASSETS

Borrowings that are denominated and repayable in USDT are not financial liabilities as defined in IAS 32, as they are settled by delivery of a cryptoasset rather than cash or another financial asset. They are initially recognised at the GBP value of the USDT received and are remeasured at the USDT/GBP rate at each reporting date, with remeasurement gains and losses recognised in profit or loss within 'Revaluation loss on amount due to related party'. Interest is accrued at the contractual rate and recognised within finance costs.

TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

EQUITY INSTRUMENTS

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

REVENUE

The Company's revenue comprises two streams:

Lightning income: Revenue from routing transactions across the Bitcoin Lightning Network is recognized at a point in time when a transaction is successfully completed. This income represents the gross fees received (Routing Fees) for providing network liquidity and routing services.

Lightning income also includes fees for liquidity leases and on-demand channel openings provided through the Company's Lightning Service Provider (LSP) platform, launched in May 2026, recognised when the service is provided.

Treasury income: income earned on the Company's holdings placed under treasury arrangements including the CoinCorner Rewards Account. Earning a return on its holdings forms part of the Company's ordinary activities and this income is therefore presented within revenue. It is recognised as it accrues over the period to which it relates.

EMPLOYEE BENEFITS

Termination benefits

Termination benefits are recognised at the earlier of the dates when the Company can no longer withdraw the offer of those benefits and when the Company recognises restructuring costs and involves the payment of termination benefits.

SHARE-BASED PAYMENTS

The Company issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Company receives the services and is recognised as an expense.

BORROWING COSTS

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

TAXATION

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

RELATED PARTIES

(A) A person or a close member of that person's family is related to the Company if that person:

- i. has control or joint control over the Company;
- ii. has significant influence over the Company; or
- iii. is a member of the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to the Company if any of the following conditions applies:

- i. The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- vi. The entity is controlled or jointly controlled by a person identified in (A).
- vii. A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

IMPAIRMENT OF ASSETS

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets except cryptoassets (revaluation model only) and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in

order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period that provide additional information about the Company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4 CRITICAL JUDGEMENTS AND KEY ESTIMATES

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value of convertible loan

As described in notes 13, the directors of the Company use their judgment in selecting an appropriate valuation technique for financial liabilities not

quoted in an active market. The carrying amounts of convertible loans as at 30 June 2026 is GBP116,608. The directors believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of the convertible loans.

Fair values of Cryptoassets

As described in notes 6, the Company has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

CRITICAL JUDGEMENT – CLASSIFICATION OF CRYPTOASSET-DENOMINATED BORROWINGS

The directors have judged that the Company's borrowings from CoinCorner Limited that are denominated and repayable in USDT (note 14) are not financial liabilities under IAS 32, as they are settled by delivery of a cryptoasset rather than cash or another financial asset. They are presented within amounts due to a related party and measured as described in note 3.

5 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

FOREIGN CURRENCY RISK

The Company has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in GBP.

PRICE RISK

The Company's intangible assets - cryptoassets are measured at fair value at the end of each reporting period. Therefore, the Company is exposed to cryptoassets price risk. The directors manage this exposure through its long-term holding strategy and by monitoring the loan-to-value ratios on its BTC-backed borrowings (note 14).

At 30 June 2026, if the price of bitcoin increased/decreased by 10%, the loss for the year would have been GBP726,510 lower/higher, being the

revaluation gain/loss on bitcoin held net of the corresponding change in the bitcoin-denominated convertible loans.

CREDIT RISK

The carrying amount of the cash and cash equivalents, prepayment and other receivables included in the statement of financial position represents the Company's maximum exposure to credit risk in relation to the Company's financial assets.

The Company's principal concentration of financial assets at 30 June 2026 were held with CoinCorner Limited.

LIQUIDITY RISK

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Company's financial liabilities is as follows:

AT 30 JUNE 2026	LESS THAN 1 YEAR	OVER 1 YEAR AND LESS THAN 5 YEARS	OVER 5 YEARS	TOTAL
	GBP	GBP	GBP	GBP
Trade and other payables	98,271	-	-	98,271
Amount due to a related party	6,706	86,800	-	93,506
	104,977	86,800	-	191,777

AT 30 JUNE 2025	LESS THAN 1 YEAR	OVER 1 YEAR AND LESS THAN 5 YEARS	OVER 5 YEARS	TOTAL
	GBP	GBP	GBP	GBP
Trade and other payables	26,000	-	-	26,000
Amount due to a related party	20,000	-	-	20,000
	46,000	-	-	46,000

INTEREST RATE RISK

The Company's interest-bearing borrowings (note 14) bear interest at fixed rates, so the Company's cash flows are not exposed to changes in market interest rates.

CATEGORIES OF FINANCIAL INSTRUMENTS

	2026	2025
	GBP	GBP
Financial assets:		
Financial assets at amortised cost (including cash and cash equivalents)	487,647	-
Financial liabilities at amortised cost	169,377	46,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

FAIR VALUES

Except as disclosed in notes 11 and 13 to the financial statements, the carrying amounts of the Company's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values.

6 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Company's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The following table presents the company's financial assets and liabilities measured and recognised at fair value on a recurring basis:

AT 30 JUNE 2026	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	GBP	GBP	GBP	GBP
Recurring fair value measurements:				
Intangible assets - Bitcoin	-	7,357,915	-	7,357,915
Intangible assets - USDT	-	603,135	-	603,135
Financial liabilities at fair value through profit or loss - convertible	-	-	116,608	116,608

Reconciliation of liabilities measured at fair value based on level 3:

	CONVERTIBLE LOAN CC	CONVERTIBLE LOAN AB	TOTAL
	GBP	GBP	GBP
At 1 July 2025	-	-	-
Issuance of convertible loans	73,333	71,429	144,762
Fair value change recognised in profit or loss	(12,663)	(15,491)	(28,154)
At 30 June 2026	60,670	55,938	116,608

Disclosure of valuation process used by the company and valuation techniques and inputs used in fair value measurements.

The company is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. Discussions of valuation processes and results are held by the company at least twice a year.

LEVEL 2 FAIR VALUE MEASUREMENTS

DESCRIPTION	VALUATION TECHNIQUE	INPUT	2026
Intangible assets - Bitcoin	Market comparable approach	Bitcoin exchange rate	7,357,915
Intangible assets - USDT	Market comparable approach	USDT exchange rate	603,135

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

LEVEL 3 FAIR VALUE MEASUREMENTS

DESCRIPTION	VALUATION TECHNIQUE	UNOBSERVABLE INPUT AND RANGE	EFFECT ON FAIR VALUE FOR INCREASE OF INPUTS	2026
Convertible loan – debt component	Market comparable approach	GBP/BTC exchange rate	Increase	92,810
Convertible loan – conversion options	Black-Scholes model	Expected volatility	Increase	23,798

7 REVENUE

Revenue comprises income from active yield-generating activities, income is recognised upon the successful completion of each routed payment (Lightning) or on an accruals basis over the period to which it relates. BTC-

denominated amounts are translated into Sterling at the spot rate on the date of recognition in accordance with IAS 21.

8 LOSS BEFORE TAX

	FOR THE YEAR ENDED 30 JUNE 2026	PERIOD ENDED FROM 12 JUNE 2025 TO 30 JUNE 2025
	GBP	GBP
Directors' remuneration (including share option expense of GBP55,651)	324,035	-
Share options and warrants expenses	268,141	-
Audit fee	42,000	-
Employee salaries	91,333	-
Employer tax contributions and other employment expenses	24,472	-

9 INCOME TAX EXPENSE

	FOR THE YEAR ENDED 30 JUNE 2026	PERIOD ENDED FROM 12 JUNE 2025 TO 30 JUNE 2025
	GBP	GBP
Current tax - Isle of Man	-	-

The company is incorporated in the Isle of Man and is subject to the Isle of Man tax regime.

Under the current Isle of Man tax laws:

- The standard rate of corporate income tax is 0%.
- A 10% tax rate applies to income from banking business, and from retail business where taxable income exceeds £500,000 per annum.

- A 20% tax rate applies to income from land and property in the Isle of Man.

Based on the nature of the company's activities, the applicable rate of tax on its profits is 0%.

As such, no provision for corporate income tax has been made in financial statements.

10 LOSS PER SHARE

BASIC LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on loss for the year/period attributable to owners of the Company of GBP7,844,653 (2025: GBP46,000) and the weighted average

number of ordinary shares of 114,255,241 (2025: 200) in issue during the year/period.

The 500,000 shares issued to Canaccord under the ATM programme and unsold at 30 June 2026 are legally issued and fully paid at nominal value and are included in the weighted average number of shares.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

DILUTED LOSS PER SHARE

The effects of all potential ordinary shares are anti-dilutive for the years ended 30 June 2026 and 2025.

11 INTANGIBLE ASSETS

	CRYPTOASSETS	DOMAIN NAMES	TOTAL
COST OR VALUATION	GBP	GBP	GBP
At 1 July 2025	-	-	-
Addition	14,628,607	13,585	14,642,192
Disposal	(185,975)	-	(185,975)
Deficit on revaluation	(6,481,582)	-	(6,481,582)
At 30 June 2026	7,961,050	13,585	7,974,635

	BITCOIN	USDT	TOTAL CRYPTOASSETS
COST OR VALUATION	GBP	GBP	GBP
At 1 July 2025	-	-	-
Addition	13,835,742	792,865	14,628,607
Disposal	-	(185,975)	(185,975)
Deficit on revaluation	(6,477,827)	(3,755)	(6,481,582)
At 30 June 2026	7,357,915	603,135	7,961,050

At 30 June 2026, the carrying amount of cryptoassets pledged as security for the amounts due to related party amounted to GBP500,462.

Cryptoassets comprise bitcoin and USDT, analysed above. At 30 June 2026 the Company held USDT with a fair value of GBP603,135, principally placed with CoinCorner Limited under the Company's treasury

arrangement and returned to the Company after the year end (notes 12 and 21). USDT additions include GBP600,000 of USDT purchased for cash and USDT received under the USDT-denominated loans (note 14); USDT disposals represent its subsequent exchange for bitcoin. The deficit on revaluation includes realised gains and losses on disposal.

12 PREPAYMENT AND OTHER RECEIVABLES

	2026	2025
	GBP	GBP
Prepayments	34,337	-
Other receivables	1,160	-
Amounts due from a related party	475,000	-
	510,497	-

As at 30 June 2026, the Company had placed GBP475,000 with CoinCorner Limited, a related party, under a treasury arrangement. The balance was repayable to the Company on demand and the return earned

is recognised as treasury income within revenue. The balance is measured at amortised cost; the expected credit loss is immaterial given the on-demand terms and its full repayment after the year end (note 21).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

13 CONVERTIBLE LOAN

On 2 December 2025, the company issued a convertible loan with a principal amount of 1.1 Bitcoin (BTC) and 1 BTC to related party (the "CC", being CoinCorner Limited) and major shareholder (the "AB") (together as "Lender"), respectively. The CC and AB tranches were issued on differing terms. The principal terms are summarised below:

Nature and interest: The loan is unsecured, zero-coupon, and denominated in BTC.

Conversion rights: The Lender has the right to convert the entire outstanding loan into fully paid ordinary shares of the company at the conversion price at any time during the term.

Company's conversion call: The company has an option to require conversion of the loan if the "Conversion Call Conditions" are satisfied (specifically, if the share price closes at least 50% higher than the reference share price for 10 consecutive trading days and the GBP price of BTC has not increased by more than 30% relative to the reference bitcoin value).

Redemption and maturity: The loan has a maturity period of 48 months. If not converted, the principal amount is repayable in BTC. The lender also has an option for early repayment at any time on or after 12 months from the issue date.

The company has designated the debt component and derivative components (including the holder's conversion option and the issuer's conversion call/redemption options) as financial liabilities at fair value through profit or loss (FVTPL).

The fair value of the Convertible Loan is determined by aggregating:

(i) the BTC principal amount translated at the reporting date BTC/GBP exchange rate; and

(ii) the fair value of the conversion options and issuer's conversion call, calculated using an option pricing model.

In subsequent periods, the convertible loan is measured at fair value with changes in fair values recognised in profit or loss. Transaction costs relating to the issuance are charged to profit or loss.

At initial recognition and at the end of each subsequent reporting period, the debt component is measured at the BTC principal amount translated at the reporting date BTC/GBP exchange rate and the conversion options are measured using the Black-Scholes model. The inputs into the option pricing model are as follows:

The share price at 30 June 2026 used in the valuation was 4.25p.

	2026	
	CC	AB
Conversion price	0.1155	0.1155
Options life	3.42	3.42
Risk free rate	4.72%	4.72%
Expected volatility	117.08%	117.08%
Discount rate	30%	30%

	CONVERTIBLE LOAN CC	CONVERTIBLE LOAN AB	TOTAL
	GBP	GBP	GBP
At 1 July 2025	-	-	-
Issuance of convertible loans	73,333	71,429	144,762
Fair value change on convertible loan	(12,663)	(15,491)	(28,154)
At 30 June 2026	60,670	55,938	116,608

14 AMOUNT DUE TO A RELATED PARTY

During the year, the Company entered into 4 Bitcoin-backed loan agreements with CoinCorner Ltd (the "Lender") for a term of 48 months.

The facility bears a fixed interest rate of 8.00% per annum, with interest repayable in 48 equal monthly instalments. The loan carries no origination fees and permits full or partial early repayment without penalty.

The loan facility is secured by a first fixed charge over BTC pledged by the Company, representing an Initial Loan-to-Value ("LTV") ratio of 50.00%. The pledged Bitcoin is held in a restricted/locked account with the Lender until the facility is fully settled or collateral is released.

The agreement includes specific financial covenants regarding LTV thresholds:

Target Operating LTV: Maintained below 60.00%.

Margin Call (70.00% LTV): Triggers a requirement for the company to pledge additional BTC collateral or make partial principal prepayments within 72 hours to reduce the LTV back to 60.00% or below.

Default and Liquidation (80.00% LTV): Triggers an event of default, enabling the Lender to automatically liquidate sufficient pledged Bitcoin to restore the LTV to 60.00%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

NON-CURRENT LIABILITIES

	LOAN 1	LOAN 2	LOAN 3	LOAN 4
Currency	GBP	USDT	USDT	USDT
Pledged no of BTC	3.17229396	3.0423185	3.04232073	2.04237031
Amount	70,000	99,000	90,000	67,000

	LOAN 1	LOAN 2	LOAN 3	LOAN 4	TOTAL
	GBP	GBP	GBP	GBP	GBP
At 1 July 2025	-	-	-	-	-
Issuance of loan	70,000	73,948	65,155	49,234	258,337
Finance costs	2,808	2,694	2,244	1,584	9,330
Repayment	(2,335)	(1,959)	(1,781)	(1,333)	(7,408)
Revaluation	-	664	2,672	1,266	4,602
At 30 June 2026	70,473	75,347	68,290	50,751	264,861

The amount due to related party classified as current liabilities are unsecured, non-interest bearing and has no fixed repayment terms.

15 SHARE CAPITAL

	NOTE	NUMBER OF SHARE	GBP
Date of incorporation		2	2
At 30 June 2025 and 1 July 2025		2	2
Subdivided	(a)	198	-
Issued share	(b)	30,349,800	303,498
Subscription and WRAP offer	(c)	109,537,520	1,095,375
Other issued share		278,571	2,786
At-the-Market ("ATM") equity offering	(d)	1,200,000	12,000
At 30 June 2026		141,366,091	1,413,661

Note:

(a) On 7 August 2025, each of the existing ordinary shares of £1 was subdivided into 100 new ordinary Shares of 1 pence each.

(b) On 7 August 2025, the Company made the allotments to the company officer. The subscription amounts due by each of Daniel Lawrence Scott, Zakk Lakin, Frederick Edmund New, Russell Allen Farrington and David Patrick Martin Boylan were funded by way of a set-off of a net amount of GBP20,000 due to each of them under their respective terms of appointment as Directors of the Company and the subscription amount due by Michael Andrew Crosbie was funded by set-off of a net amount of GBP3,500 due to him under his terms of appointment as Chief Operating Officer of the company.

(c) On 22 September 2025, the company issued 109,537,520 new shares at a share price 14p per share, the net proceeds of GBP15,245,262.

(d) 600,000 shares were issued to Canaccord at nominal value (£0.01 per share, £6,000 in aggregate), with Admission to trading on 10th February 2026. These shares were sold into the market in four tranches between 17 March 2026 and 31 March 2026. The average selling price is 7.05p and the net proceeds is GBP41,211.

600,000 shares were issued to Canaccord at nominal value (£0.01 per share, £6,000 in aggregate), with Admission to trading on 9 April 2026. 100,000 shares were sold into the market on 20 April 2026. The selling price is 7.25p and the total net proceeds is GBP12,063.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

16 SHARE-BASED PAYMENTS

The company occasionally issues share options to officers of the company. They are settled in equity once exercised. Details of the number of shares

options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

SHARE OPTIONS

NAME OF GRANTEE	EXPIRY DATE	EXERCISE PRICE	AT 1 JULY 2025	GRANTED	AT 30 JUNE 2026
David Jaques	21/09/2035	14p	-	300,000	300,000
Frederick New	21/09/2035	14p	-	300,000	300,000
Daniel Scott	21/09/2035	14p	-	300,000	300,000
David Boylan	21/09/2035	14p	-	300,000	300,000
Zakk Lakin	21/09/2035	14p	-	300,000	300,000
Allen Farrington	21/09/2035	14p	-	300,000	300,000
Michael Crosbie	21/09/2035	14p	-	650,000	650,000
Chris Wilson	21/09/2035	14p	-	500,000	500,000
			-	2,950,000	2,950,000

SHARE WARRANTS

NAME OF GRANTEE	EXPIRY DATE	EXERCISE PRICE	AT 1 JULY 2025	GRANTED	AT 30 JUNE 2026
CoinCorner Limited	21/09/2030	14p	-	1,398,875	1,398,875
First Sentinel Corporate Finance Limited	21/09/2028	14p	-	142,857	142,857
			-	1,541,732	1,541,732

During the year, the company recognised a total share-based payment expense of GBP268,141. The fair value of options granted is calculated using a Black-Scholes pricing model. The model is internationally recognised as being appropriate to value employee share schemes.

The fair value is estimated as at the issue date using a Black-Scholes model, considering the terms and conditions upon which the options were granted. The following table lists the inputs to the model.

	SHARE OPTIONS	SHARE WARRANTS	SHARE WARRANTS
Exercise price (pence)	14p	14p	14p
Number of options	2,950,000	142,857	1,398,875
Volatility	117.10%	117.10%	117.10%
Risk free interest (%)	4.725%	4.725%	4.725%
Dividend yield	0%	0%	0%
Time to expiration at date of grant (i.e. life of options) in years	10	3	5
Vesting period	1 year from admission	N/A	N/A
Performance condition	N/A	N/A	The company market capitalisation reaching or exceeding GBP1 billion

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

17 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the Company's changes in liabilities arising from financing activities during the year:

	AMOUNT DUE TO A RELATED PARTY	TOTAL LIABILITIES FROM FINANCING ACTIVITIES
	GBP	GBP
At 1 July 2025	20,000	20,000
Changes in cash flows	48,771	48,771
Non-cash changes		
- Finance costs	9,330	9,330
- Loans received in USDT	188,337	188,337
- Interest settled in USDT	(5,073)	(5,073)
-Revaluation loss on amount due to related party	4,602	4,602
At 30 June 2026	265,967	265,967

18 RELATED PARTIES TRANSACTION

The related party balance refer to note 14.

The Company issued 9,999,900 shares to the Director and 19,999,900 shares to Coincorner Ltd on 7 August 2025, refer to note 15.

The Company issued 1,800,000 share options to the Directors, refer to note 16.

The Company issued 1,398,875 share warrants to CoinCorner Ltd, refer to note 16.

The Company issued the convertible loans to the CoinCorner Ltd, refer to note 13.

On 2 December 2025, the company issued a convertible loan with a principal amount of 1 BTC to major shareholder, refer to note 13.

The Company had the following transactions with its related parties during the year:

	2026	2025
	GBP	GBP
Rewards income (BTC) from CoinCorner Ltd	20,598	-
Direct costs to CoinCorner Ltd	1,689	-
Finance costs to CoinCorner Ltd	9,330	-
Administrative support expenses to CoinCorner Ltd (included in administrative expenses)	93,000	-

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

The remuneration of directors and other members of key management during the year is as follows

	2026	2025
	GBP	GBP
Short-term benefits	282,559	-
Share-based payments	55,651	-
	338,210	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

19 MAJOR NON-CASH TRANSACTION

During the year, the Company received borrowings denominated in USDT from CoinCorner Ltd, a related party of the Company, which were exchanged directly for bitcoin (notes 11 and 14). Interest on these borrowings was settled in USDT.

Revenue of GBP34,781 (note 7) was received in cryptoassets as non-cash consideration.

On 2 and 3 December 2025, the Company received 2.1 BTC under the convertible loans (note 13).

On 7 August 2025, shares were issued in settlement of fees of GBP103,500 due to directors and officers, and during the year shares were issued to a consultant in settlement of fees of GBP36,250 (note 15).

20 CONTINGENT LIABILITIES

The Company did not have any significant contingent liabilities at 30 June 2025 and 2026.

21 EVENTS AFTER THE REPORTING YEAR

The Board has resolved to commence a share buyback programme (the "Buyback Programme") pursuant to the shareholder authorisation received on 6 February 2026.

Any share repurchases will be carried out pursuant to the existing shareholder authority granted at the Extraordinary General Meeting held on 06 February 2026, which permits the Company to purchase in the market up to a total aggregate of 14,016,609 Ordinary Shares, being approximately 10% of its issued share capital.

The Company has entered into a non-discretionary agreement (the "Agreement") with Canaccord Genuity Limited ("Canaccord") under which Canaccord has been instructed to purchase ordinary shares on behalf of the Company as part of the Buyback Programme. Canaccord will act as 'riskless principal' for the purposes of the Buyback Programme, executing purchases within pre-set parameters on an irrevocable and non-discretionary basis and in accordance with the terms of the Agreement. Trading decisions concerning the timing and pricing of purchases will be made independently of the Company. The details please refer to the Company announcement dated on 9 July 2026.

Since the year end, the Company has repurchased approximately 3.1 million ordinary shares under its share buyback programmes for a total

consideration of approximately GBP0.18 million. The repurchased shares have been, or will be, cancelled.

On 8 July 2026, the Company drew a further GBP100,000 BTC-backed loan from CoinCorner Limited on similar terms to those described in note 14, secured by 4.348677 BTC.

After the year end, the GBP475,000 and the USDT (fair value at 30 June 2026: GBP603,135) placed with CoinCorner Limited under the Company's treasury arrangement (notes 11 and 12) were returned to the Company in full.

In August 2026 the Company agreed Change Order No. 1 to the CoinCorner Services Agreement, under which the leased Lightning node was decommissioned and removed from the agreement.

In September 2026 the Company completed its second at-the-market (ATM) programme and issued 600,000 new ordinary shares to Canaccord under a third ATM programme, of which 250,000 had been sold by 21 October 2026.

In October 2026 the Independent Directors approved a reduction in the monthly fee payable to CoinCorner Limited, a related party, under the CoinCorner Services Agreement from GBP10,000 to GBP5,000 with effect from 1 July 2026.

DIRECTORY

B HODL PLC - COMPANY INFORMATION

Annual Report & Investor Presentation 2026

DIRECTORS

Frederick New, Chief Executive Officer
Daniel Scott, Chief Bitcoin Officer
David Boylan, Chief Financial Officer
Zakk Lakin, Chief Technical Officer
David Jaques, Non-Executive Chairman
Russell Allen Farrington, Non-Executive Director

ADVISERS

AQSE Corporate Adviser First Sentinel
Broker (share buy-back and ATM programmes) Canaccord
Genuity Limited
Auditor Edwards Veeder (UK) Limited
Registrar Neville Registrars Limited, Neville House, Steelpark
Road, Halesowen B62 8HD
Company Secretary Cavendish Trust IOM Ltd

REGISTERED OFFICE

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19-21 Circular Road, Douglas, IM1 1AF, Isle of Man

TICKERS

AQSE: HODL
OTCQB: HODLF
FRA: F5S

COMPANY IDENTIFIERS

Isle of Man company number: 022742V
ISIN: IM00BV6P5N30
SEDOL: BV6P5N3
LEI: 984500E71103F4407E23

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