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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 20-F**

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the fiscal year ended December 31, 2025**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-40816

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**ARGO BLOCKCHAIN PLC**

(Exact name of Registrant as specified in its charter)

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England and Wales

(Jurisdiction of incorporation or organization)

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**Eastcastle House  
27/28 Eastcastle Street  
London W1W 8DH  
England**

(Address of principal executive offices)

**Charlotte Proctor Worrall, Chief Financial Officer**

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

<u>Title of each class:</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered:</u>
Ordinary shares, nominal value of £0.001 per share* American Depositary Shares, each representing 2,160 ordinary shares	ARBK	The Nasdaq Stock Market LLC* The Nasdaq Stock Market LLC

\* The ordinary shares are not listed for trading and are represented by the American Depositary Shares listed on The Nasdaq Stock Market LLC.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

28,857,673,160 Ordinary Shares, par value £0.001 per share, were outstanding as of December 31, 2025

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 or  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

## TABLE OF CONTENTS

	Page
Presentation of Financial and Certain Other Information	3
Special Note Regarding Forward-Looking Statements	4
Industry and Market Data	5
Glossary of Industry Terms and Concepts	6
<b>Part I</b>	
Item 1. Identity of Directors, Senior Management and Advisers	8
Item 2. Offer Statistics and Expected Timetable	8
Item 3. Key Information	8
Item 4. Information on the Company	58
Item 5. Operating and Financial Review and Prospects	69
Item 6. Directors, Senior Management and Employees	81
Item 7. Major Shareholders and Related Party Transactions	90
Item 8. Financial Information	91
Item 9. The Offer and Listing	92
Item 10. Additional Information	92
Item 11. Quantitative and Qualitative Disclosures About Market Risk	110
Item 12. Description of Securities Other than Equity Securities	110
<b>Part II</b>	
Item 13. Defaults, Dividend Arrearages and Delinquencies	113
Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds	113
Item 15. Controls and Procedures	113
Item 16A. Audit Committee Financial Expert	114
Item 16B. Code of Ethics	114
Item 16C. Principal Accountant Fees and Services	114
Item 16D. Exemptions from the Listing Standards for Audit Committees	115
Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers	115
Item 16F. Change in Registrant’s Certifying Accountant	115
Item 16G. Corporate Governance	115
Item 16H. Mine Safety Disclosure	115
Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	115
Item 16K. Information on Cybersecurity	116
<b>Part III</b>	
Item 17. Financial Statements	118
Item 18. Financial Statements	118
Item 19. Exhibits	118
Index to Consolidated Financial Statements for the Years Ended December 31, 2023, 2024 and 2025	F-1
Signatures	120

## **PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION**

Unless otherwise indicated or the context otherwise requires, all references in this report to the terms “Argo,” “the Company,” “the Group,” “our,” “us,” and “we” refer to Argo Blockchain plc and its subsidiaries.

Our financial statements in this annual report on Form 20-F (this “Annual Report”) were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”).

Our financial information is presented in U.S. dollars as described in Note 3 of the annual financial statements. All references in this report to “\$” mean U.S. dollars, all references to “£” and “GBP” mean pound sterling and all references to “CAD\$” mean Canadian dollars.

We have made rounding adjustments to some of the figures included in this Annual Report. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them.

Our fiscal year begins on January 1 and ends on December 31 of the same year.

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This annual report contains forward-looking statements within the meaning of U.S. federal securities laws that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “potential,” “predict,” “seek,” “should,” “will” and “would” or the negative of these terms, or other comparable terminology intended to identify statements about the future, although not all forward-looking statements contain these words. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Forward-looking statements include, but are not limited to, statements about future operating results, potential risks pertaining to these future operating results, future plans, prospects and our business strategy, anticipated benefits of proposed (or future) acquisitions or investments, new facilities, growth, the capabilities and capacities of business operations, any financial or other guidance, expected capital expenditures and all statements that are not based on historical fact, but rather reflect our current expectations concerning future results and events. This list is not an exhaustive list of the factors that may affect any of our forward-looking statements.

You should refer to the section titled “Risk Factors” for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these and other factors, we cannot assure you that the forward-looking statements in this annual report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. Forward-looking statements speak only as of the date of this annual report, and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law, applicable regulations or the rules of any stock exchange to which we are subject.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this annual report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this annual report and the documents that we incorporate by reference in this annual report and have filed as exhibits to this annual report, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements.

## INDUSTRY AND MARKET DATA

This annual report contains estimates, projections and other information concerning our industry, our business and cryptocurrency markets. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from our own internal estimates and research as well as from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry and general publications, government data and similar sources. While we believe our internal company research as to such matters is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source.

In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors." These and other factors could cause our future performance to differ materially from our assumptions and estimates. See "Special Note Regarding Forward-looking Statements."

## GLOSSARY OF INDUSTRY TERMS AND CONCEPTS

Throughout this annual report, we use a number of industry terms and concepts which are defined as follows:

- **application-specific integrated circuits or ASICs:** Computer microchips designed for a particular use, in this case, mining cryptocurrency. ASICs are considered far superior in terms of performance and efficiency to the central processing units and graphics processing units found inside personal computers.
- **Bitcoin:** The first implementation of cryptocurrency, a form of digital money that uses blockchain technology, initially introduced in a white paper titled Bitcoin: A Peer-to-Peer Electronic Cash System by Satoshi Nakamoto. When we reference our Bitcoin production or Bitcoin holdings, we include other digital assets. The conversion rate to Bitcoin is based on the price quoted for such cryptocurrency compared to Bitcoin on CoinGecko.com on the referenced date at 11:59 UTC. With respect to other cryptocurrencies mined, the conversion rate to Bitcoin is based on the price quoted for such cryptocurrency compared to Bitcoin on CoinGecko.com at 11:59 UTC on the date it was mined.
- **block:** Synonymous with digital pages in a ledger. Blocks are added to an existing blockchain as transactions occur on the network. Miners are rewarded for “mining” a new block.
- **blockchain:** A cryptographically secure digital ledger that maintains a record of all transactions that occur on the network and follows a consensus protocol for confirming new blocks to be added to the blockchain.
- **CBDC:** Central bank digital currency, a digital form of a sovereign currency issued and backed by a central bank. Unlike private stablecoins, CBDCs represent a direct liability of the issuing central bank.
- **cold storage:** The storage of private keys in any fashion that is disconnected from the internet. Common cold storage examples include offline computers, USB drives, or paper records.
- **consensus:** The protocol that allows a blockchain network to be secure by governing how transactions are processed and new blocks are added to the blockchain.
- **cryptocurrency:** Digital assets that are designed to work as a medium of exchange, unit of account, and/or store of value.
- **digital asset:** A broad term for anything that can be stored and transmitted electronically, and has associated ownership or use rights. As used in this annual report, the term “digital assets” refers to assets that are created and maintained with software (code), and exist as data on a blockchain network.
- **digital asset ecosystem:** The broad ecosystem of individuals, organizations, platforms, networks and other elements that use and support the use of digital assets and related technologies, across any number of industries and use cases.
- **Ethereum:** Ethereum is a peer-to-peer blockchain network that was originally described in a 2013 white paper by Vitalik Buterin, a programmer involved with Bitcoin. The Ethereum network allows people to exchange digital assets, called Ether (“ETH”), which can be used to pay for goods and services, including computational power on the Ethereum network. Ethereum also allows users to write and implement smart contracts that are used to create digital assets other than ETH on the Ethereum network, move digital assets in accordance with conditional instructions and create markets, among other things. Smart contract operations are executed on the Ethereum network in exchange for payment of ETH. Ethereum has recently been popularly used for DeFi applications. The Ethereum network transitioned from a proof-of-work to a proof-of-stake consensus mechanism in September 2022 and is no longer mined.
- **fork:** A fundamental change to the software underlying a blockchain which results in two different blockchains: the original version and the new version. In some instances, the fork results in the creation of a new digital asset.
- **hash:** A function that takes an input, and then outputs an alphanumeric string known as the “hash value.” Each block in a blockchain contains the hash value of the block before it followed by its own hash value. Hash functions are used to demonstrate proof-of-work and confirm transactions on a blockchain.
- **hashrate:** A measure of the computing power in use on a blockchain network.

- **hashprice:** A measure that refers to the expected value of 1 petahash per second of hashing power per day. Hashprice is a function of four inputs: network difficulty, Bitcoin price, block subsidy, and transaction fees.
- **hot wallet:** A wallet that is connected to the internet, enabling it to broadcast transactions to a blockchain network.
- **miner:** Individuals or entities who operate a computer or group of computers that add new transactions to blocks, and verify blocks created by other miners. Miners collect transaction fees and are rewarded with new digital assets for their services.
- **mining:** The process by which new blocks are created, and thus new transactions are added to the blockchain.
- **mining difficulty:** In a proof-of-work network, difficulty is the measure of how difficult it is to mine a new block by solving the hashing algorithm. On the Bitcoin network, the network programmatically adjusts the difficulty every 2,016 blocks so that the average time it takes to add a new block remains approximately 10 minutes.
- **mining machines:** ASIC-based machines designed specifically for cryptocurrency mining.
- **mining pools:** Mining pools are groups of miners that combine their computing resources over a network to increase the probability they will solve the next block more quickly than any other miner (or other mining pool).
- **network:** The collection of all miners that use computing power to maintain the ledger and add new blocks to the blockchain. Most networks are decentralized, reducing the risk of a single point of failure.
- **protocol:** A type of algorithm or software that governs how a blockchain network operates.
- **proof-of-work:** A protocol for establishing consensus across a system that ties mining capability to computational power. Hashing a block, which is in itself an easy computational process, now requires each miner to solve for a set, difficult variable. In effect, the process of hashing each block becomes a competition. This addition of solving for a target increases the difficulty of successfully hashing each block. For each hashed block, the overall process of hashing will have taken some time and computational effort.
- **proof-of-stake:** An alternative consensus protocol, in which a “validator” uses their own digital assets to validate transactions or blocks. Validators “stake” their digital assets on whichever transactions they choose to validate. If a validator validates a block (group of transactions) correctly, it will receive a reward. Typically, if a validator verifies an incorrect transaction, it will lose the digital assets that it staked. Proof-of-stake generally requires a negligible amount of computing power compared to proof-of-work.
- **public key or private key:** Each public address on a blockchain network has a corresponding public key and private key that are cryptographically generated. A private key allows the recipient to access any digital assets belonging to the address, similar to a bank account password. A public key helps validate transactions that are broadcast to and from the address. Addresses are shortened versions of public keys, which are derived from private keys.
- **stablecoin:** Digital assets designed to minimize price volatility by tracking the price of an underlying asset such as fiat money or an exchange-traded commodity (such as precious metals or industrial metals). Stablecoins may attempt to maintain a stable value by being backed by physical reserves of the underlying asset, or may rely on other methods, such as algorithmically controlled supply.
- **wallet:** A place to store public and private keys for digital assets. Wallets are typically software, hardware, or paper-based.

## PART I

### Item 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

### Item 2. Offer Statistics and Expected Timetable

Not Applicable.

### Item 3. Key Information

#### A. *Reserved*

#### B. *Capitalization and indebtedness*

Not Applicable.

#### C. *Reasons for the offer and use of proceeds*

Not Applicable.

#### D. *Risk Factors*

#### Risk Factors Summary

*An investment in our securities involves a high degree of risk. You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Report. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected.*

Our business is subject to a number of risks of which you should be aware before making an investment decision. Among these important risks are the following:

- Due to our limited operating history, it may be difficult to evaluate our business and future prospects, and we may not be able to achieve or maintain profitability in any given period.
- We may be unable to raise additional capital needed to grow our business.
- A tax authority may disagree with the tax positions that we have taken, which could result in increased tax liabilities. A tax authority may also take the position that material income tax liabilities, interest and penalties are payable by us. Income tax assessments received in Canada are currently under appeal, and if unsuccessful we will incur significant liabilities.
- Our ability to continue as a going concern depends on continued support from our controlling shareholder
- We have an evolving business model, which is subject to various uncertainties.
- Our total revenue and cash flow is substantially dependent on the market value of digital assets and the volume of digital assets received from our mining efforts. If such market value or volume declines, our business, operating results and financial condition would be adversely affected.

- There are risks related to technological obsolescence, the potential disruption of our global supply chain by climate-related issues for cryptocurrency mining hardware, and difficulty in obtaining new mining machines that may have a negative effect on our business.
- We cannot be certain as to how future regulatory developments will impact our business and any such additional regulatory requirements, or changes in how existing requirements are interpreted and applied, may cause us to cease all or certain of our operations or change our business model.
- We operate in a highly competitive industry, and we compete against companies with greater resources and experience.
- We rely on a third-party custodian for the long-term holding of our digital assets, and actual or perceived security threats could result in the loss of our assets.
- Cyberattacks and security breaches of our own or our third-party service providers or partner's cryptocurrency operations, or those impacting underlying digital asset networks, could adversely impact our business, operating results and financial condition.
- The facilities in which our mining operations are conducted and our mining equipment may experience damages, including damages that are not covered by insurance.
- We rely on third-party mining pool operators to pay us mining rewards, the failure of which would have a negative impact on our operations.
- There is a possibility of digital asset networks transitioning from proof-of-work mining algorithms to proof-of-stake validation, which could make us less competitive and ultimately adversely affect our business.
- As a result of state, provincial and local regulations over electric distribution utilities and retail electricity suppliers, including potential changes to electricity rate structures in Québec applicable to large data centres and cryptographic use, we may not be able to obtain electricity on terms and conditions that are economic and practicable.
- Cryptocurrency regulation, both in the United States and internationally, could adversely affect the price of cryptocurrencies and the cryptocurrency mining industry.
- Our success depends on our ability to retain key management personnel, and to attract and retain other highly qualified personnel in the future.
- ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.
- Our articles of association provide that the courts of England and Wales will be the exclusive forum for the resolution of all shareholder complaints other than complaints asserting a cause of action arising under the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and that the U.S. District Court for the Southern District of New York will be the exclusive forum for the resolution of any shareholder complaint asserting a cause of action arising under the Securities Act or the Exchange Act.

## **Risks Related to Our Limited Operating History**

***Due to our limited operating history, it may be difficult to evaluate our business and future prospects, and we may not be able to achieve or maintain profitability in any given period.***

We began our operations in December 2017, and since our incorporation our business model has evolved significantly. While our revenues have fluctuated over time, there is no assurance that revenues will increase in future periods and you should not rely on the performance of any given period as an indication of our future results. We may not generate sufficient revenue to achieve positive cash flow from operations or profitability in any given period, and our limited operating history and the volatile nature of our business and the cryptocurrency industry make it difficult to evaluate our current business and our future prospects. We have encountered and will continue to encounter risks and difficulties, including, but not limited to those described in this section. If we do not manage these risks successfully, our business may be adversely impacted. If our growth rate were to decline significantly or become negative, it could adversely affect our operating results and financial condition. If we are not able to achieve or maintain positive cash flow from operations, our business may be adversely impacted and we may require additional financing, which may not be available on favorable terms or at all, or which could be dilutive to our ADS holders.

***We may be unable to raise additional capital needed to grow our business.***

We may need to raise additional capital to fund our operations and respond to competitive pressures or unanticipated working capital requirements. Our financial condition was materially and adversely affected by the declines in value experienced by digital assets in 2022, and we were required to divest a substantial portion of our fixed assets to meet our operating and debt service needs because other sources of financing were unavailable. More recently, we experienced additional liquidity and financing challenges that resulted in a UK restructuring transaction in 2025. In the future, we may not be able to obtain additional debt or equity financing on favorable terms, if at all, which could impair our growth and adversely affect our existing operations. If we raise additional equity financing, our ADS holders may experience significant dilution of their ownership interests, and the per ADS value of our ordinary shares could decline. Furthermore, if we incur additional debt financing, the holders of debt likely would have priority over the holders of our ADSs on order of payment preference. We may be required to accept terms that restrict our ability to incur additional indebtedness or to take other actions including terms that require us to maintain specified liquidity or other ratios that could otherwise not be in the interests of our investors.

***Our ability to continue as a going concern depends on continued support from our controlling shareholder.***

Following the completion of the recent restructuring and the additional investment and ongoing financial support from Growler Mining Tuscaloosa, LLC (“**Growler**”), including access to a subscription facility providing potential additional funding, management believes the Company has sufficient liquidity to continue as a going concern for at least twelve months from the date of approval of these financial statements. While the Company has historically incurred operating losses and remains exposed to volatility in cryptocurrency markets and energy costs, the restructuring and support from its controlling shareholder have materially improved its financial position and reduced going concern uncertainty.

## **Risks Related to U.S., Canadian and UK Tax Regimes**

***Changes and uncertainties in the tax system in the countries in which we have operations, could materially adversely affect our financial condition and results of operations, and reduce net returns to our shareholders.***

Our consolidated effective income tax rate, and the tax treatment of our ADSs and ordinary shares, could be materially adversely affected by several factors, including: changing tax laws, regulations and treaties, or the interpretation thereof; tax policy initiatives and reforms under consideration (such as those related to the ongoing Organisation for Economic Co-operation and Development’s, or OECD, Base Erosion and Profit Shifting, or BEPS, Project, the European Commission’s state aid investigations and other initiatives); the practices of tax authorities in jurisdictions in which we operate (such as in the UK and in Canada); and the resolution of issues arising from tax audits or examinations and any related interest or penalties. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid, or the stamp duty or stamp duty reserve tax treatment of our ADSs or ordinary shares.

We are unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices in jurisdictions in which we operate, could increase the estimated tax liability that we have expensed to date and paid or accrued on our statement of financial position, and otherwise affect our financial position, future results of operations, cash flows in a particular period and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to our shareholders and increase the complexity, burden and cost of tax compliance. For example, in February 2022, without advance notice to the cryptocurrency industry, the Department of Finance Canada proposed an amendment to the Excise Tax Act – GST/HST (and QST in Quebec) legislation that declares that digital (crypto) asset mining is not a “commercial activity” in Canada. Under the proposal, companies engaged in digital asset mining activities, including Canadian data centers that supply high performance computing services to those engaged in digital asset mining, are no longer eligible to receive Input Tax Credits (ITCs) for the value added taxes (GST, HST, QST) paid on business inputs (such as computer and information technology, energy costs, professional, and consulting fees). A mining coalition in Canada successfully appealed this decision and we are now in process of objecting to past assessments and, if successful, will receive a refund for certain ITC’s from prior years.

Tax authorities may disagree with our positions and conclusions regarding certain tax positions, or may apply existing rules in an unforeseen manner, resulting in unanticipated costs, taxes or non-realization of expected benefits.

A tax authority may disagree with tax positions that we have taken, which could result in increased tax liabilities. For example, Her Majesty’s Revenue & Customs (“HMRC”), Revenue Quebec, the Canada Revenue Agency, the IRS or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between our affiliated companies pursuant to our intercompany arrangements and transfer pricing policies, including amounts paid with respect to our intellectual property development. Similarly, a tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions.

A tax authority may also take the position that material income tax liabilities, interest and penalties are payable by us, for example where there has been a technical violation of contradictory laws and regulations that are relatively new and have not been subject to extensive review or interpretation, in which case we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax. Income tax assessments received in Canada are currently under appeal, and if unsuccessful, the Company will incur significant liabilities.

***It is unlikely we will be able to use net operating loss and tax credit carryforwards and certain built-in losses to reduce future tax payments or benefit from favorable UK tax legislation.***

As a UK incorporated and tax resident entity, we are subject to UK corporate taxation on tax-adjusted trading profits. As of December 31, 2024, we had cumulative carryforward tax losses of \$17.7 million. Given we do not, and are not currently expected to, generate significant taxable profit in the UK, it is unlikely that these carryforward tax losses will be utilized against future profits to reduce future tax payments or otherwise benefit from favorable UK tax legislation.

***There can be no assurance that we will not be a PFIC for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. investors.***

Under the Internal Revenue Code of 1986, as amended (the “Code”), we will be a passive foreign investment company (“PFIC”), for any taxable year in which (a) 75% or more of our gross income consists of passive income or (b) 50% or more of the value of our assets (generally determined on the basis of a weighted quarterly average) consists of assets that produce, or are held for the production of, passive income. For purposes of these tests, passive income includes dividends, interest, certain gains from the sale or exchange of property and certain rents and royalties. Cash, cash-equivalents and cryptocurrencies generally are passive assets for these purposes. Goodwill is active to the extent attributable to activities that produce or are intended to produce active income. In addition, for purposes of the above calculations, we will be treated as if we hold our proportionate share of the assets of and receive directly our proportionate share of the income of, any other corporation in which we directly or indirectly own at least 25%, by value, of the shares. If we are a PFIC for any taxable year during which a U.S. investor holds our shares, the U.S. investor may be subject to adverse tax consequences regardless of whether we continue to qualify as a PFIC, including ineligibility for any preferred tax rates on capital gains or on dividends, interest charges on certain taxes treated as deferred and additional reporting requirements. Based on our analysis of our activities and current estimates of the composition of our income and assets (including goodwill), we do not expect to be a PFIC for the current taxable year or in the foreseeable future. However, because PFIC status is determined on an annual basis, and therefore our PFIC status for the current taxable year and any future taxable year will depend upon the future composition of our income and assets, there can be no assurance that we will not be a PFIC for any taxable year. In particular, the application of the PFIC rules to cryptocurrencies is subject to uncertainty. In addition, the total value of our assets (including goodwill) for PFIC testing purposes may be determined in part by reference to the market price of our ordinary shares or ADSs from time to time, which may fluctuate considerably. Even if we determine that we are not a PFIC for a taxable year, there can be no assurance that the Internal Revenue Service (“IRS”) will agree with our conclusion and that the IRS would not successfully challenge our position.

For further discussion of the PFIC rules and the adverse U.S. federal income tax consequences in the event we are classified as a PFIC, see Item 10. E. “Material Income Tax Considerations —Material United States Federal Income Tax Considerations.”

***We have an evolving business model, which is subject to various uncertainties.***

Our business model has significantly evolved since our incorporation and we expect it to continue to do so in the future. For example, in the past, we operated as a mining-as-a-service (“MaaS”) business. Beginning in 2019, in the face of an industry-wide downturn, we terminated our MaaS contracts and commenced mining for our own account. Additionally, we previously focused on owning and operating mining facilities, but beginning in late 2022 we have shifted to a model that seeks to strike a balance between owning and operating our own mining facilities and utilizing third party facilities with access to reliable, low-cost and renewable energy. As digital assets and blockchain technologies become more widely available, we expect the services and products associated with them to evolve. In order to stay current with the industry, our business model may need to evolve as well. As a result, from time to time, we may modify aspects of our business model relating to our strategy. We cannot offer any assurance that these or any other modifications will be successful or will not result in harm to our business. These modifications may increase the complexity of our business and place significant strain on our management, personnel, operations, systems, technical performance, and financial resources. We may not be able to manage growth effectively, which could damage our reputation, limit our growth and negatively affect our operating results. Further, we cannot provide any assurance that we will successfully identify all emerging trends and growth opportunities within the cryptocurrency industry and we may lose out on such opportunities. Such circumstances could have a material adverse effect on our business, prospects, financial condition and operating results.

## Risks Related to Our Business and Financial Position

***Our operating results have fluctuated and may continue to fluctuate significantly due to the highly volatile nature of digital assets.***

All of our sources of revenue are dependent on digital assets and the broader blockchain ecosystem. Due to the highly volatile nature of the blockchain ecosystem and the prices of digital assets, our operating results have fluctuated, and may continue to fluctuate, significantly from period to period in accordance with market sentiments and movements in the broader blockchain ecosystem. In particular, our operating results may continue to fluctuate significantly as a result of a variety of factors, many of which are unpredictable and in certain instances are outside of our control, including:

- changes in the legislative or regulatory environment, or actions by governments or regulators that impact the cryptocurrency industry generally, or our operations specifically;
- difficulty obtaining new hardware and related installation costs;
- access to cost-effective sources of electrical power;
- evolving cryptographic algorithms and emerging trends in the technology securing blockchains, including proof-of-stake;
- changes in the development, usage, and market preferences for the cryptocurrencies we mine;
- adverse legal proceedings or regulatory enforcement actions, judgments, settlements or other legal proceeding and enforcement-related costs;
- the development and introduction of existing and new products and technology by us or our competitors;
- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies (such as government-led digital currency projects);
- increases in operating expenses that we expect to incur to grow and expand our operations and to remain competitive;
- system failure or outages, including with respect to our mining hardware, power supply and third-party networks;
- breaches of security or data privacy;
- our ability to protect our intellectual property;
- our ability to attract and retain talent; and
- our ability to compete.

As a result of these and other factors, it is difficult for us to forecast growth trends accurately and our business and future prospects are difficult to evaluate, particularly in the short term. In addition, as a result of the rapidly evolving nature of our business and the blockchain ecosystem, period-to-period comparisons of our operating results may not be meaningful, and you should not rely upon them as an indication of future performance. Annual expenses reflected in our financial statements may be significantly different from historical rates. Our operating results in one or more future periods may fall below the expectations of securities analysts and investors. As a result, the trading price of our ADSs may increase or decrease significantly.

***Our total revenue and cash flow is substantially dependent on the market value of digital assets and the volume of digital assets received from our mining efforts. If such market value or volume declines, our business, operating results and financial condition would be adversely affected.***

We currently generate substantially all of our revenue from cryptocurrency rewards and transaction fees received for successfully proposing a valid “block” of transactions on the Bitcoin blockchain. Similarly, our operating cash flow is substantially dependent on our ability to sell cryptocurrency for fiat currency as needed. As such, any declines in the amount of cryptocurrencies that we successfully mine, the price of such cryptocurrencies or market liquidity for cryptocurrencies and digital assets generally would adversely affect our revenue and ability to fund our operations. For example, our financial condition and results of operations were materially and adversely affected by the declines in value experienced by digital assets in 2022.

The price of cryptocurrencies and digital assets and associated demand for buying, selling, and trading cryptocurrencies and digital assets have historically been subject to significant volatility. The price and trading volume of Bitcoin and other digital assets have historically been highly volatile, are subject to significant uncertainty and may fluctuate substantially over short periods of time depending on a number of factors, including:

- market conditions across the broader blockchain ecosystem;
- trading activities on digital asset platforms worldwide, many of which may be unregulated, and may include manipulative activities;
- investment and trading activities of highly active retail and institutional users, speculators, miners and investors;
- the speed and rate at which digital assets are able to gain worldwide adoption as a medium of exchange, utility, store of value, consumptive asset, security instrument or other financial asset, if at all;
- changes in user and investor confidence in digital assets and digital asset platforms;
- publicity and events relating to the blockchain ecosystem, including public perception of the impact of the blockchain ecosystem on the environment;
- unpredictable social media coverage or “trending” of digital assets;
- the functionality and utility of digital assets and their associated ecosystems and networks, including digital assets designed for use in various applications;
- consumer preferences and perceived value of digital assets;
- increased competition from other payment services or other digital assets that exhibit better speed, security, scalability or other characteristics;
- the correlation between the prices of digital assets, including the potential that a crash in one digital asset or widespread defaults on one digital asset exchange or trading venue may cause a crash in the price of other digital assets, or a series of defaults by counterparties on digital asset exchanges or trading venues;
- changes in the regulatory or legislative environment, including regulatory enforcement actions, affecting the blockchain industry participants;
- the characterization of digital assets under the laws of various jurisdictions around the world;
- the maintenance, troubleshooting and development of the blockchain networks underlying digital assets, including by miners, validators and developers worldwide;

- the ability for digital asset networks to attract and retain miners or validators to secure and confirm transactions accurately and efficiently;
- ongoing technological viability and security of digital assets and their associated protocols, smart contracts, cryptography, applications and networks, including vulnerabilities against hacks and scalability;
- fees and speed associated with processing digital asset transactions, including on the underlying blockchain networks and on digital asset platforms;
- financial strength of market participants;
- interruptions in service from, or failures of, major digital asset trading platforms;
- availability of an active derivatives market for various digital assets;
- availability of credit, banking and payment services to support digital asset-related projects;
- level of interest rates and inflation; and
- monetary policies of governments, trade restrictions and fiat currency devaluations.

There is no assurance that any digital asset, including Bitcoin, will maintain its value or that there will be meaningful levels of trading activities to support markets in any digital asset. A decline in the market value of digital assets or in the demand for trading digital assets could lead to a corresponding decline in the value of our cryptocurrency assets, the number of transactions on the relevant blockchain network and, as such, the opportunities to earn block rewards and transaction fees, our returns on investments in mining machines, and could adversely affect our business, operating results and financial condition. Further, to the extent that investors perceive investment in our ADSs as a proxy for exposure to the digital asset industry more generally, volatility in the value of cryptocurrencies could have immediate and substantial effects on the price of our ADSs, irrespective of the actual effect on our business.

Digital assets may be subject to momentum pricing due to speculation regarding future appreciation or depreciation in value, leading to greater volatility. Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for future changes in value. It is possible that momentum pricing of digital assets has resulted, and may continue to result, in speculation regarding future changes in the value of digital assets, making digital assets' prices more volatile. As a result, digital assets may be more likely to fluctuate in value due to changing investor confidence, which could impact future appreciation or depreciation in digital asset prices. As a result, our business, operating results and financial condition could be adversely affected.

The market value of digital assets may also be affected by the activities of "professionalized" mining operations. Since Bitcoin was launched, digital asset mining operations have evolved from individual users mining with computer processors, graphics processing units and first-generation ASIC mining machines to businesses with sophisticated operations using the latest ASIC technology, particularly operations mining Bitcoin. These professionalized mining operations are of a greater scale than individual and casual miners and have more defined and regular expenses and liabilities. These regular expenses and liabilities require professionalized mining operations to maintain profit margins on the sale of mined digital assets, including Bitcoin. To the extent the price of digital assets decline and such profit margin is constrained, professionalized miners may be incentivized to more immediately sell any digital assets, including Bitcoin, earned from mining operations, whereas it is believed that individual miners in past years were more likely to hold newly mined digital assets for more extended periods. If professional mining operations were to collectively implement strategies to immediately sell newly mined digital assets, including Bitcoin, it would greatly increase the available trading supply of such digital assets, potentially creating downward pressure on the market price.

Digital assets remain subject to an uncertain and evolving regulatory environment. The federal banking agencies have announced they are actively considering if additional regulation or guidance is warranted, and recent actions reflect a conservative approach to permitting regulated entities to engage in digital asset activities. An adverse change in the regulatory environment for participation by the legacy financial industry in digital assets activities may impact the demand for digital assets and related services, access to traditional financial services for digital asset industry participants and/or the market value of digital assets.

***A majority of our revenue is currently derived from mining Bitcoin. If demand for Bitcoin declines and is not replaced by new demand for cryptocurrencies we are able to mine, our business, operating results and financial condition could be adversely affected.***

For the year ended December 31, 2025 and December 31, 2024, we derived the majority of our net revenue from transaction fees and cryptocurrency rewards generated in connection with mining Bitcoin. As such, in addition to the factors impacting the broader blockchain ecosystem and the prices of digital assets described in this section, our business may be adversely affected if the market for Bitcoin deteriorates or if its price declines, including as a result of the following factors:

- the reduction in mining rewards of Bitcoin, including block reward halving events, which are events that occur after a specific period of time which reduce the block rewards earned by miners;
- disruptions, hacks, splits in the underlying network also known as “forks,” attacks by malicious actors who control a significant portion of the network’s hashrate such as “double-spend” or “51% attacks” or other similar incidents affecting the Bitcoin network;
- hard “forks” resulting in the creation of, and divergence into, multiple separate networks, such as Bitcoin Cash;
- the informal governance of the Bitcoin network, which evolves over time largely based on self-determined participation, which may result in revisions to the underlying source code or inaction, that affects the Bitcoin network’s speed, scalability, security, usability or value;
- the ability for the Bitcoin network to resolve significant scaling challenges and increase the volume and speed of transactions;
- the ability to attract and retain developers to maintain and update the Bitcoin network;
- the ability to attract and retain market participants to use Bitcoin for payment, store of value, unit of accounting and other intended uses;
- transaction congestion and fees associated with processing transactions on the Bitcoin network;
- negative perception of Bitcoin, including with respect to the power consumption of its proof-of-work consensus mechanism;
- developments in mathematics or technology, including in digital computing, algebraic geometry and quantum computing, that could result in the cryptography being used by Bitcoin becoming insecure or ineffective; and
- laws and regulations affecting the Bitcoin network or access to this network, including a determination that Bitcoin constitutes a security or other regulated financial instrument under the laws of any jurisdiction.

***We may fail to successfully manage or hedge our financial exposure to digital assets, including Bitcoin.***

We may at times employ various risk mitigation strategies, such as trading Bitcoin for alternative digital assets or stablecoins or purchasing Bitcoin futures, options, and other derivatives contracts, designed to minimize the impact of volatility in the Bitcoin market and other cryptocurrencies on our balance sheet. Such techniques will not always be possible to implement and when possible will not always be effective in limiting losses and may also result in additional counterparty risk, costs, and potentially losses. Hedging against a decline in the value of a particular cryptocurrency does not eliminate fluctuations in the values of positions we hold or prevent losses if the values of such positions decline, but may moderate the decline in value. However, such hedge transactions also limit the opportunity for gain if the value of the hedged cryptocurrency should increase. Moreover, it may not be possible to hedge against a fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at a price sufficient to protect from the anticipated decline in value of the cryptocurrency anticipated as a result of such a fluctuation. We may choose not to engage in a hedging transaction for a number of reasons, including if the expense associated with such hedging transaction is perceived as being too costly or other factors. Failure to hedge our exposure to digital currencies or convert digital currencies into fiat when their value is high can lead to liquidity shortages if the value of digital currencies declines precipitously, as happened in 2022. The successes of our hedging transactions are subject to our ability to correctly predict market fluctuations and movements and our ability to monitor any hedging transactions that we enter into. Therefore, while we may enter into such transactions to seek to reduce risks, unanticipated market movements and fluctuations may result in a poorer overall performance than if we had not engaged in any such hedging transactions.

***Cyberattacks and security breaches of our own or our third-party service providers or partner's cryptocurrency operations, or those impacting underlying digital asset networks, could adversely impact our business, operating results and financial condition.***

Digital assets, the wallets in which they are stored and the networks and exchanges on which they are traded are based on software code which has generally been written, maintained and updated by third parties. Flaws in this software code have been exposed by certain actors, sometimes for malicious ends. Most of our sensitive and valuable data, including digital assets are stored with a third-party custodian, Gemini Custody, a product of the Gemini Trust Company, LLC, a trust company regulated by the New York Department of Financial Services. (the "Custodian"). We also rely on the digital asset community and our third-party service providers to optimize and protect sensitive and valuable data, confidential information and identify vulnerabilities of blockchain networks. The digital asset community will often identify and correct errors and defects in the code underlying digital asset networks, including those that may disable some functionalities of our systems or expose data. For example, in 2018, a vulnerability in the Bitcoin network source code that could in certain circumstances allow miners to double-spend Bitcoin and thereby increase the supply of Bitcoin was discovered. There can be no guarantee that the measures intended to safeguard digital assets and related software, and the work of the digital asset developer community, will identify or resolve all vulnerabilities, errors and defects prior to a malicious actor being able to exploit them. Any actual or perceived data security breach we experience, or of our third-party partners or any underlying digital asset network, may:

- lead to theft or irretrievable loss of our fiat currencies or digital assets;
- harm our reputation and brand;
- result in our systems or services being unavailable and interrupt our operations;
- result in improper disclosure of data and violations of applicable data privacy and other laws;
- result in significant regulatory scrutiny, investigations, fines, penalties, and other legal, regulatory, contractual and financial exposure;
- cause us to incur significant remediation costs;
- divert the attention of management from the operation of our business; and
- adversely affect our business, operating results and financial condition.

Further, any actual or perceived data security breach or cybersecurity attack directed at other digital asset companies or underlying digital asset networks, whether or not we are directly impacted, could lead to a general loss of confidence in the broader blockchain ecosystem or in the use of digital asset networks to conduct financial transactions, which could negatively impact us, including the market perception of the effectiveness of our security measures and technology infrastructure.

Attacks upon systems across a variety of industries, including industries related to digital assets, are increasing in frequency, persistence, and sophistication, and, in many cases, are being conducted by sophisticated, well-funded and organized groups and individuals, including state actors. The techniques used to obtain unauthorized, improper or illegal access to systems and information (including personal data and digital assets), disable or degrade services, or sabotage systems are constantly evolving, may be difficult to detect quickly, and often are not recognized or detected until after they have been launched against a target. These attacks may occur on our systems or those of our third-party service providers or partners. We may experience breaches of our security measures due to human error, malfeasance, insider threats, system errors or vulnerabilities or other irregularities. In particular, unauthorized parties have attempted, and we expect that they will continue to attempt, to gain access to our systems and facilities, as well as those of our partners and third-party service providers, through various means, such as hacking, social engineering, phishing and fraud. In the past, hackers have successfully employed a social engineering attack against one of our service providers and misappropriated our digital assets, although, to date, such events have not been material to our financial condition or operating results. If and as our assets grow, we may become a more appealing target for these threats. Threats can come from a variety of sources, including criminal hackers, hacktivists, state-sponsored intrusions, industrial espionage, and insiders. In addition, certain types of attacks could harm us even if our systems are left undisturbed. For example, certain threats are designed to remain dormant or undetectable, sometimes for extended periods of time, or until launched against a target and we may not be able to implement adequate preventative measures.

Any future breach of our operations or those of others in the digital asset industry, including third-party services on which we rely, could materially and adversely affect our business, and we expect that our costs and the resources we devote to protecting against these advanced threats and their consequences will continue to increase over time. In addition, some insurers are currently reluctant to provide cybersecurity insurance for cryptocurrency and digital assets. In the event of any attacks, our costs and any impacted assets may not be partially or fully recoverable.

***We operate in a highly competitive industry, we compete against companies with greater resources and experience, and our business, operating results and financial condition may be adversely affected if we are unable to respond to our competitors effectively.***

The blockchain ecosystem is highly innovative, rapidly evolving and characterized by intense competition, experimentation and frequent introductions of new products and services, and is subject to uncertain and evolving industry and regulatory requirements. We expect competition to increase in the future as existing and new competitors introduce new products or enhance existing products. We compete against a number of companies operating both within the United States and abroad that focus on digital asset-based services, including mining digital assets.

Our existing competitors have, and our potential competitors are expected to have, various competitive advantages over us, such as:

- greater name recognition, longer operating histories and larger market shares;
- more established marketing, banking and compliance relationships;
- greater mining capabilities and mining software;
- more timely introduction of new technologies;
- preferred relationships with suppliers of mining machines and other equipment;
- access to more competitively priced or subsidized power;
- greater financial resources to make acquisitions;

- lower labor, compliance, risk mitigation and research and development costs;
- larger and more mature intellectual property portfolios;
- greater number of applicable licenses or similar authorizations;
- established core business models outside of the mining or trading of digital assets, allowing them to operate on lesser margins or at a loss;
- operations in certain jurisdictions with lower compliance costs and greater flexibility to explore new product offerings; and
- substantially greater financial, technical and other resources.

If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, operating results and financial condition could be adversely affected.

***The emergence or growth of other digital assets, including those with significant private or public sector backing, could have a negative impact on the price of Bitcoin and adversely affect our business.***

Our business strategy is substantially dependent on the market price of Bitcoin. As of January 1, 2025, Bitcoin was the largest digital asset by market capitalization and had the largest user base and the greatest amount of aggregate mining power among proof-of-work cryptocurrencies. Despite this first-mover advantage, thousands of alternative digital assets (“altcoins”) exist, many of which seek to compete with Bitcoin for user adoption, developer activity, investment capital, and market attention. While Bitcoin has historically maintained a dominant position in the digital asset ecosystem, competition from alternative digital assets, technological developments, changes in investor preferences, or shifts in regulatory treatment could reduce demand for Bitcoin, adversely affect its market price, and materially impact our results of operations and financial condition.

Many entities, including consortiums and financial institutions are also researching and investing resources into private or permissioned blockchain platforms rather than open platforms like the Bitcoin network. At the same time, central banks have introduced digital forms of legal tender (“CBDCs”). China’s CBDC project, known as Digital Currency Electronic Payment, has reportedly been tested in a live pilot program conducted in multiple cities in China. A recent study published by the Bank for International Settlements estimated that at least 36 central banks, including the U.S. Federal Reserve, have published retail or wholesale CBDC work ranging from research to pilot projects. Whether or not they incorporate blockchain or similar technology, CBDCs, as legal tender in the issuing jurisdiction, could have an advantage in competing with, or replace, Bitcoin and other cryptocurrencies as a medium of exchange or store of value.

The emergence or growth of alternative digital assets could have a negative impact on the demand for, and price of, Bitcoin. If we are unable to transition our mining operations to a replacement digital asset, the reduction in the popularity of Bitcoin could have an adverse impact on our operations and thereby adversely affect an investment in our ADSs.

***We may be subject to material litigation, including individual and class action lawsuits, as well as investigations and enforcement actions by regulators and governmental authorities.***

We may from time to time become subject to claims, arbitrations, individual and class action lawsuits, government and regulatory investigations, inquiries, actions or requests, including with respect to both consumer and employment matters, and other proceedings alleging violations of laws, rules and regulations, both foreign and domestic. The scope, determination and impact of claims, lawsuits, government and regulatory investigations, enforcement actions, disputes and proceedings to which we are subject cannot be predicted with certainty, and may result in:

- substantial payments to satisfy judgments, fines or penalties;
- substantial outside counsel legal fees and costs;

- additional compliance and licensure requirements;
- loss or non-renewal of existing licenses or authorizations, or prohibition from or delays in obtaining additional licenses or authorizations, required for our business;
- loss of productivity and high demands on employee time;
- criminal sanctions or consent decrees;
- termination of certain employees, including members of our executive team;
- barring of certain employees from participating in our business in whole or in part;
- orders that restrict our business or prevent us from offering certain products or services;
- changes to our business model and practices;
- delays to planned transactions, product launches or improvements; and
- damage to our brand and reputation.

Any such matters can have an adverse impact, which may be material, on our business, operating results or financial condition because of legal costs, diversion of management resources, reputational damage and other factors.

***We may be subject to securities litigation, which is expensive and could divert management attention.***

The market price of our securities may be volatile and, in the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We were previously subject to a class action lawsuit which was dismissed with prejudice and without the ability to replead the case, however we may be the target of this type of litigation in the future as well. Securities litigation against us could result in substantial costs and divert management's attention from other business concerns, which could seriously harm its business.

***We plan to continue to make acquisitions and investments, which could require significant management attention, disrupt our business, result in dilution to our ADS holders, increase our debt or cause us to incur significant expenses and adversely affect our financial results.***

We are actively considering strategic opportunities with the support of our external advisors. However, we cannot offer any assurance that acquisitions of businesses, assets and/or entering into strategic alliances or joint ventures will be made or, if made, will be successful. We may not be able to find suitable partners or acquisition candidates and may not be able to complete such transactions on favorable terms, if at all. If we make any acquisitions, we may not be able to integrate these acquisitions successfully into the existing business and could assume unknown or contingent liabilities. Any future acquisitions also could result in liabilities or future write-offs of intangible assets or goodwill, any of which could have a negative impact on our cash flows, financial condition and results of operations. Integration of an acquired company may also disrupt ongoing operations and require management resources that otherwise would be focused on developing and expanding our existing business. We may experience losses related to potential investments in other companies, which could harm our financial condition and results of operations. Further, we may not realize the anticipated benefits of any acquisition, strategic alliance or joint venture if such investments do not materialize. To finance any acquisitions or joint ventures, we may choose to issue ordinary shares, preferred shares or a combination of debt and equity as consideration, which could significantly dilute the ownership of our existing ADS holders or provide rights to such preferred shareholders in priority over our ADS holders. Additional funds may not be available on terms that are favorable to us, or at all. If the price of our ADSs is low or volatile, we may not be able to acquire other companies or fund a joint venture project using ordinary shares as consideration.

***We or the third parties upon whom we depend may be adversely affected by disasters, and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster. Any interruption in the operations of our or our suppliers' manufacturing or other facilities may have a material adverse effect on our business, financial condition and results of operations.***

Severe weather, natural disasters and other calamities, such as pandemics (including global health emergencies) times, civil unrest, strikes, transportation interruptions, unpermitted discharges or releases of toxic or hazardous substances, other environmental risks, sabotage or terrorist attacks, could severely disrupt our operations, or our third-party manufacturers' and suppliers' operations, and have a material adverse effect on our business, financial condition and results of operations.

If a natural disaster, power outage or other event occurs that prevents us from using all or a significant portion of our headquarters or other facilities, or those of our third-party manufacturers or suppliers, that damages critical infrastructure, such as one of the facilities in which our mining operations are conducted, or that otherwise disrupts operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place currently are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. The potential impact of any disruption would depend on the nature and extent of the damage caused by a disaster. There can be no assurance that alternative production capacity will be available in the future in the event of a major disruption or, if it is available, that it could be obtained on favorable terms. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, integral parties in our supply chain are similarly vulnerable to natural disasters or other sudden, unforeseen and severe adverse events. If such an event were to affect our supply chain, it could have a material adverse effect on our business, financial condition and results of operations.

## **Risks Related to Digital Assets**

***Acceptance and/or widespread use of digital assets is uncertain.***

Currently, there is a relatively limited use for digital assets in retail and commercial marketplaces, which we believe has contributed to price volatility and could therefore adversely affect an investment in our ADSs. Banks and other established financial institutions may, and do, refuse to process funds for digital asset transactions, process wire transfers to or from digital asset trading platforms, cryptocurrency-related companies or service providers, and maintain accounts for persons or entities transacting in digital assets. Actions by U.S. banking regulators have made it more difficult for digital asset companies to obtain and maintain banking relationships needed in their businesses. Conversely, a significant portion of digital asset demand is generated by investors seeking a long-term store of value or speculators seeking to profit from the short- or long-term holding of the asset. Price volatility undermines digital assets' role as a medium of exchange, as retailers are much less likely to accept it as a form of payment. Use of digital assets as a medium of exchange and payment method may never achieve widespread adoption. Any such failure or a decline in acceptance and adoption could have an adverse effect on the value of Bitcoin or any other digital assets we mine or otherwise acquire or hold for our own account, which in turn could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations.

***The future development and growth of digital assets is subject to a variety of factors that are difficult to predict and evaluate. If the adoption and development of digital assets does not grow as we expect, our business, operating results and financial condition could be adversely affected.***

Digital assets built on blockchain technology were only introduced in 2008 and remain in the early stages of development. In addition, different digital assets are designed for different purposes. Bitcoin, for instance, was designed to serve as a peer-to-peer electronic cash system. Many other digital asset networks with other intended purposes — ranging from cloud computing to tokenized securities networks — have only recently been established. The further growth and development of any digital assets and their underlying networks and other cryptographic and algorithmic protocols governing the creation, transfer, and usage of digital assets represents a new and evolving paradigm that is subject to a variety of factors that are difficult to evaluate, including:

- Many digital asset networks have limited operating histories, have not been validated in production, and are still in the process of developing and making significant decisions that will affect the design, supply, issuance, functionality and governance of their respective digital assets and underlying blockchain networks, any of which could adversely affect their respective digital assets and underlying networks.
- Digital asset networks may implement software upgrades and other changes to their protocols, which could introduce bugs or security risks, or otherwise adversely affect the respective digital assets and underlying networks.
- Several large networks are developing new features to address fundamental speed, scalability and power usage issues. If these issues are not successfully addressed, or such new features are unable to achieve widespread adoption, it could adversely affect the underlying digital assets.
- Security issues, bugs and software errors have been identified with many digital assets and their underlying blockchain networks, some of which have been exploited by malicious actors. There are also inherent security weaknesses in some digital assets, such as when creators of certain digital asset networks use procedures that could allow hackers to counterfeit the respective digital asset. Any weaknesses identified with a digital asset or its underlying network could adversely affect its price, security, liquidity and adoption. If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the computing or staking power on a digital asset network, as has happened in the past, it may be able to manipulate transactions, which could cause financial losses to holders, damage the network's reputation and security and adversely affect the value of the relevant digital asset.
- The development of new technologies for mining digital assets, such as improved application-specific integrated circuits (commonly referred to as ASICs), or changes in industry patterns, such as the consolidation and concentration of mining power in a small number of large mining farms or mining pools, could reduce the security of digital asset networks, lead to increased liquid supply of digital assets and reduce the value and appeal of digital assets.
- If rewards and transaction fees for miners or validators on any particular digital asset network are not sufficiently high to attract and retain miners or validators, a digital asset network's security and speed may be adversely affected, increasing the likelihood of a malicious attack that could adversely affect the value of the digital asset, or digital assets broadly.

- Certain digital assets have concentrated ownership or an “admin key,” allowing a small group of holders to have significant unilateral control and influence over key decisions relating to their underlying networks, such as governance decisions and protocol changes, as well as the market price of such digital assets. The governance of many decentralized digital asset networks is by voluntary consensus and open competition with no clear leadership structure or authority, and many developers are not directly compensated for their contributions. As a result, there may be a lack of consensus or clarity on the governance of any particular digital asset network, a lack of incentives for developers to maintain or develop the network and other unforeseen issues, any of which could result in unexpected or undesirable errors, bugs or changes, or stymie such network’s utility and ability to respond to challenges and grow. Additionally, the decentralized nature of the governance of digital asset networks may lead to ineffective decision-making that slows development or prevents a network from overcoming emergent obstacles. The lack of clarity in governance of digital asset networks may lead to ineffective decision-making that slows development and growth of such digital assets.
- Many digital asset networks are in the early stages of developing partnerships and collaborations, all of which may not succeed. Such lack of success could adversely affect the usability and adoption of the respective digital assets.

Various other technical issues with blockchain networks have also been uncovered from time to time that resulted in disabled functionality, exposure of certain users’ personal data, theft of users’ assets, and other negative consequences, and which required resolution with the attention and efforts of their global miner, user and development communities. If any such risks or other risks materialize, and are not resolved, the development and growth of digital assets may be significantly affected and, as a result, our business, operating results and financial condition could be adversely affected.

***The loss or destruction of any private keys required to access our digital assets may be irreversible. If we or our Custodian are unable to access our private keys (whether due to a security incident or otherwise), it could cause direct financial loss, regulatory scrutiny, and reputational harm.***

Digital assets are generally controllable only by the possessor of the unique private key relating to the digital wallet in which the digital assets are held. While blockchain protocols typically require public addresses to be published when used in a transaction, private keys must be safeguarded and kept private in order to prevent a third party from accessing the digital assets held in such a wallet. To the extent that any of the private keys relating to any hot or cold wallets containing our digital assets is lost, destroyed, or otherwise compromised or unavailable, and no backup of the private key is accessible, we will be unable to access the digital assets held in the related wallet and, in most cases, the private key will not be capable of being restored. The loss or destruction of a private key required to access digital assets may be irreversible. Further, we cannot provide assurance that any wallet holding our digital assets, either maintained directly by us or by our Custodian on our behalf, will not be hacked or compromised. Digital assets, related technologies, and digital asset service providers such as custodians and trading platforms have been, and may in the future be, subject to security breaches, hacking, or other malicious activities. As such, any loss or misappropriation of the private keys used to control our digital assets due to a hack, employee or service provider misconduct or error, or other compromise by third parties could result in significant losses, hurt our brand and reputation, and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account, and adversely impact our business.

***Incorrect or fraudulent digital asset transactions may be irreversible.***

Digital asset transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the digital assets from the transaction. In theory, digital asset transactions may be reversible with the control or consent of a majority of the processing power on the network, however, we do not now, nor is it feasible that we could in the future, possess sufficient processing power to effect this reversal, nor is it likely that sufficient consensus on the relevant network could or would be achieved to enable such a reversal. Once a transaction has been verified and recorded in a block that is added to a blockchain, an incorrect transfer of digital assets or a theft thereof generally will not be reversible, and we may not have sufficient recourse to recover our losses from any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, our digital assets could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts. In the past, hackers have successfully employed a social engineering attack against one of our service providers and misappropriated our digital assets, although, to date, such events have not been material to our financial condition or operating results. To the extent that we are unable to recover our losses from such action, error or theft, such events could result in significant losses, hurt our brand and reputation, and adversely impact our business.

***Digital asset networks, including those underlying cryptocurrencies, face significant scaling obstacles that can lead to high fees or slow transaction settlement times.***

Digital asset networks face significant scaling obstacles that can lead to high fees or slow transaction settlement times, and attempts to increase the volume of transactions may not be effective. Scaling digital asset networks is essential to the widespread adoption and acceptance of cryptocurrencies as a means of payment, which, in turn, is necessary to the continued growth and development of our business. Many digital asset networks face significant scaling challenges. For example, digital asset networks are limited with respect to how many transactions can occur per second. There is no guarantee that any of the mechanisms currently in place, or being explored, for increasing the scale of processing and settling cryptocurrency transactions will be effective, or how long they will take to become effective. In addition, as corresponding increases in throughput lag behind growth in the use of digital asset networks, average fees and settlement times may increase considerably. For example, the Bitcoin network has been, at times, at capacity, which has led to increased transaction fees. While it is possible that increased transaction fees could result in more revenue for our business, increased fees and decreased settlement speeds could preclude certain uses for cryptocurrencies (e.g., micropayments), and could reduce demand for, and the price of, cryptocurrencies, which could adversely affect an investment in our ADSs.

***Open source digital asset networks, including Bitcoin, may adopt changes to their protocols and software over time which could negatively impact our business and operations.***

The governance of decentralized digital asset networks, such as the Bitcoin network, is by voluntary consensus and open competition. As a result, there may be a lack of consensus or clarity on the governance of any particular decentralized digital asset network, which may stymie such network's utility and ability to grow and face challenges. For example, as an open source project, Bitcoin is not represented by an official organization or authority. Since its introduction, Bitcoin has been under active development by a group of uncompensated engineers known as core developers, who work on the reference implementation, Bitcoin Core. The role of core developers may evolve over time, largely based on self-determined participation. These contributors can propose refinements or improvements to the Bitcoin network's source code through one or more software upgrades that alter the protocols and software that govern the Bitcoin network and the properties of Bitcoin. If a significant majority of users and miners adopt amendments to a decentralized network based on the proposals of such core developers, such network will be subject to new protocols. Certain modifications may have an adverse effect on a digital asset network or the value of a digital asset, or may have unintended consequences. For example, development of the Bitcoin software has increasingly focused on modifications of the Bitcoin protocol to enhance speed and scalability. Such projects may have the effect of increasing the data flow on the Bitcoin network and could either "bloat" the size of the blockchain or result in slower confirmation times. To the extent modifications to digital assets that we mine are adopted that reduce the value of or demand for the digital asset, it would have an adverse effect on our business and investment in our ADSs.

***The decentralized governance and open-source nature of digital asset networks may cause them to be slow to react to challenges, which could adversely affect the value of the digital asset, and in turn, adversely affect our business.***

The networks underlying several digital assets, such as Bitcoin, operate based on an open-source protocol maintained by a group of uncompensated volunteer developers. Consequently, there may be a lack of financial incentive for developers to maintain or develop the network, and the developers may lack the resources to adequately address emerging issues with the relevant digital asset protocol. There can be no assurance that the core developers of a digital asset network will continue to be involved in the network, or that new volunteer developers will emerge to replace them. To the extent that material issues arise with a digital asset protocol and the developers are unable or unwilling to address the issues adequately or in a timely manner, the digital asset may diminish in value or become worthless. In addition, several digital assets, including Bitcoin and other digital assets we may mine or hold, rely on decentralized participants to operate the digital asset network through verifying transactions in digital assets on an ongoing basis. The failure of decentralized participants to continue to maintain a network by verifying digital asset transactions may result in the relevant digital asset losing value or becoming worthless. The occurrence of any failures or malfunctions above could lead to substantial losses for us and, accordingly, adversely impact an investment in our ADSs.

***Proof-of-work digital asset networks rely on decentralized miners for the network to function, and a reduction in the support of miners could adversely affect the value of the digital asset, and in turn, adversely affect our business.***

Cryptocurrency mining for proof-of-work networks involves substantial commitments of physical resources, such as space and purpose-built hardware, and involves substantial ongoing commitments in power to run the network that is performing the mining. If at any time the rewards provided for mining become less valuable than the costs and expenses of running a mining operation, it can be expected that mining of such digital asset would greatly decline or even cease. For example, around the time of the Bitcoin reward halving in May 2020, the total network hashrate on the Bitcoin network declined by approximately 30%. Other external factors, such as a government taking action to prohibit or otherwise regulate mining activity could also result in a reduction in miners, as seen in China during June and July 2021. The cessation of mining operations would materially harm, if not shut down completely, the ability of the distributed network to verify transactions in such digital asset. A significant reduction in the number of miners may expose a digital asset network's verification process to deliberate manipulation by malicious actors that come to control the verification process.

If the awards and fees paid for maintenance of a digital asset network are not sufficiently high to incentivize miners, miners may respond in a way that reduces confidence in the network. For example, Bitcoin miners collect fees for each transaction they confirm. Miners validate unconfirmed transactions by adding the previously unconfirmed transactions to new blocks in the blockchain. Miners are not forced to confirm any specific transaction, but they are economically incentivized to confirm valid transactions as a means of collecting fees. To the extent that any miners cease to record transactions in solved blocks, such transactions will not be recorded on the blockchain. Historically, miners have accepted relatively low transaction fees and have not typically elected to exclude the recording of transactions in solved blocks; however, to the extent that any such incentives arise (e.g., a collective movement among miners or one or more mining pools to reject low transaction fees), actions of miners solving a significant number of blocks could delay the recording and confirmation of transactions on the blockchain.

Any systemic delays in the recording and confirmation of transactions on a digital asset network could result in greater exposure to double-spending transactions and a loss of confidence in certain or all digital asset networks, or conversely, higher transaction fees on such digital asset networks, either of which could have a material adverse effect on our business, prospects, financial condition, and operating results.

***Growth in the popularity and use of proof-of-stake blockchain networks may adversely affect our business.***

Currently, proof-of-work digital asset networks, such as Bitcoin, enjoy a first-to-market advantage over proof-of-stake networks and dominate the cryptocurrency markets. As the digital asset community continues to develop and advance proof-of-stake technologies, proof-of-stake networks may offer actual or perceived advantages over proof-of-work networks. If preferences in the cryptocurrency markets shift away from proof-of-work networks and proof-of-stake networks achieve widespread adoption, it could attract users away from Bitcoin and the other proof-of-work cryptocurrencies we mine, which could have a material adverse effect on our business, our prospects or operations and potentially the value of cryptocurrencies we may mine or otherwise acquire or hold for our own account.

***A temporary or permanent blockchain "fork" to any digital asset which we mine or otherwise hold could adversely affect our business.***

Many digital asset networks, including Bitcoin, are open source. Anyone can download the network software, modify it, and then propose that users and miners adopt the modification. When a modification is introduced and a substantial majority of users and miners consent to the modification, the change is implemented and such digital asset networks may continue to function without disruption. However, if less than a substantial majority of users and miners consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "fork" (i.e., a "split") of the impacted digital asset network and respective blockchain, with one prong running the pre-modified software and the other prong running the modified software. The effect of such a fork would be the existence of two parallel versions of the Bitcoin or other digital asset network, as applicable, running simultaneously, but with each split network's digital asset lacking interchangeability.

The Bitcoin protocol has been subject to “forks” that resulted in the creation of new networks, including Bitcoin Cash ABC, Bitcoin Cash SV, Bitcoin Diamond, Bitcoin Gold and others. Some of these forks have caused fragmentation among trading platforms as to the correct naming convention for the forked digital assets.

Due to the lack of a central registry or rulemaking body, no single entity has the ability to dictate the nomenclature of forked digital assets, causing disagreements and a lack of uniformity among platforms on the nomenclature of forked digital assets, and which results in further confusion to individuals as to the nature of assets they hold on digital asset trading platforms. In addition, several of these forks were contentious and as a result, participants in certain digital asset user and developer communities may harbor ill will toward other communities. As a result, certain community members may take actions that adversely impact the use, adoption, and price of Bitcoin.

Furthermore, hard forks can lead to new security concerns. For instance, when the Bitcoin Cash and Bitcoin Cash SV network split in November 2018, “replay” attacks, in which transactions from one network were rebroadcast on the other network to achieve “double-spending,” plagued platforms that traded Bitcoin, resulting in significant losses to some digital asset trading platforms. Another possible result of a hard fork is an inherent decrease in the level of security due to the splitting of some mining power across networks, making it easier for a malicious actor to exceed 50% of the mining power of that network, thereby making digital asset networks that rely on proof-of-work more susceptible to attack in the wake of a fork.

***Multiple recent developments in the digital asset market have had, and may continue to have, negative impacts on the price of digital assets generally, and have caused, and may continue to cause, reputational harm to the digital asset industry as a whole.***

In the past years, multiple digital asset platforms have commenced bankruptcy or insolvency proceedings, including Voyager Digital Holdings, Inc., Celsius Network, Ltd. (“**Celsius**”), FTX Trading Ltd., BlockFi Inc., and Genesis Global Holdco, LLC. These digital asset platforms commenced bankruptcy proceedings under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”), in large part because the platforms did not have sufficient funds or digital assets available to satisfy the claims and entitlements of their customers and account holders. The bankruptcy proceedings for each of these platforms remain ongoing, and the treatment and recoveries of account holders and creditors of these digital asset platforms is largely undetermined.

In a custodian or exchange insolvency proceeding, withdrawals or transfers of assets out of the insolvent custodian or exchange within the applicable periods under the insolvency laws may, subject to potential defenses, be subject to being avoided and “clawed” back (i.e., the recipient may be required to turnover the withdrawn assets) and may instead receive a claim for such assets against the insolvent custodian or exchange which may receive a distribution from such insolvent entity pursuant to the applicable priorities which would may be pro rata with all general unsecured creditors.

These events negatively affected the price of digital assets generally and caused reputational harm to the digital asset industry as a whole. To the extent that similar developments occur in the future, the price of our ADSs could be adversely affected.

***Digital asset trading platforms may be subject to varying levels of regulation, which exposes our digital asset holdings to risks.***

While certain digital assets may be traded through one or more exchanges or trading platforms of varying quality, digital assets as a class do not have a central marketplace for exchange. Digital asset platforms on which digital assets may trade pose special risks, as these platforms are generally new and the rules governing their activities are unsettled and their activities may be largely unregulated or under-regulated, and may therefore be more exposed to theft, fraud, and failure than established, regulated exchanges for other products. Digital asset platforms may be start-up businesses with limited institutional backing, limited operating history, and no publicly available financial information.

Digital assets traded on a blockchain do not rely on a trusted intermediary or depository institution. The participation in trading platforms requires users to take on credit risk by transferring digital assets from a personal account to a third party's account. Accordingly, we are exposed to credit risk with respect to our counterparties in each transaction, including transactions directly with a counterparty sourced through an exchange or over the counter trading desk, as well as transactions directly with such an exchange. Digital asset exchanges may impose daily, weekly, monthly, or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of digital assets for fiat currency difficult or impossible. Additionally, digital asset prices and valuations on exchanges have been volatile and subject to influence by many factors, including the levels of liquidity on particular platforms and operational interruptions and disruptions. The prices and valuation of digital assets remain subject to any volatility experienced by trading platforms, and any such volatility can adversely affect our digital asset holdings and the value of the digital assets we mine. It is possible that while engaging in transactions with various digital asset platforms located throughout the world, any such platform may cease operations voluntarily or involuntarily due to theft, fraud, security breach, liquidity issues, or government investigation without any recourse available to us.

Digital asset platforms are appealing targets for cybercrime, hackers, and malware and have been shut down or experienced losses of assets placed on the exchange as a result of cybercrime, and any such event is likely to result in the complete loss of assets placed on such a platform. Any governmental or regulatory action against such a digital asset trading platform may cause assets on such exchange to become frozen for a substantial period of time or forfeited, and could result in material opportunity costs or even in the total loss of such assets. In addition, banks may refuse to process or support wire transfers to or from digital asset trading platforms.

There are a limited number of digital asset trading platforms in operation, and many operate in jurisdictions outside of the United States. Trading on digital asset platforms outside of the United States may involve certain risks not applicable to trading on digital asset exchanges that operate in the United States. Foreign markets may be subject to instability, temporary closures due to fraud, business failure, local capital requirements or government-mandated regulations. Digital asset platforms located outside the United States may not be subject to regulatory, investigative, or prosecutorial authority through which an action or complaint regarding missing or stolen digital assets may be brought. Additionally, due to lack of globally consistent treatment and regulation of digital assets, certain platforms located outside the United States may not be currently available to, or may in the future become unavailable to, certain persons or entities based on their country of domicile, including the United States. While we perform diligence on our counterparties and any digital asset trading platforms that we may use, it may be difficult, or even impossible, to sufficiently verify the ultimate ownership and control of a digital asset trading platform and other information for evaluating the risks associated with such counterparty or platform. Any of our digital assets that reside on a trading platform that shuts down may be permanently unrecoverable, misapplied or otherwise lost. Additionally, to the extent that the digital asset platforms representing a substantial portion of the trading volume in particular digital asset are involved in fraud or experience security failures or other operational issues, such failures may result in loss or less favorable prices of the digital assets and may adversely affect our business and our operations, and consequently, an investment in our ADSs.

***There may be a lack of liquid markets for digital assets, including Bitcoin, and such markets may be subject to manipulation.***

Digital assets may not necessarily benefit from viable trading markets. Traditional securities and derivatives exchanges have listing requirements and vet issuers, requiring them to be subjected to rigorous listing standards and rules and monitoring investors transacting on such platform for fraud and other improprieties. These conditions may not be replicated on a digital asset trading platforms with less regulatory oversight than a traditional exchange's controls and other policies. Digital asset trading platforms that do not maintain high standards and controls for vetting users that transact on the platform may be exposed to higher risk of fraud or manipulation. These factors may decrease liquidity or volume or may otherwise increase volatility of digital assets on such platforms, which may adversely affect us. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our business strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other digital assets we mine or otherwise acquire or hold for our own account, and harm our investors.

***We may face risks of internet disruptions, which could have an adverse effect on both the price of digital assets and our ability to operate our business.***

Digital asset networks, and our business of mining cryptocurrencies, are dependent upon the internet. A significant disruption in internet connectivity could disrupt a digital asset network's operations until the disruption is resolved and have an adverse effect on the price of cryptocurrencies and our ability to mine cryptocurrencies. A broadly accepted and widely adopted decentralized network is necessary for most digital assets networks to function as intended. Features of digital asset networks, such as decentralization, open source protocol, and reliance on peer-to-peer connectivity, are essential to preserve the stability of the network and decrease the risk of fraud or cyber-attacks. A disruption of the internet or a digital asset network would affect the ability to transfer digital assets, and consequently, their value, as well as our ability to mine digital assets. A significant disruption of internet connectivity (e.g., affecting large numbers of users or geographic regions) could prevent a digital asset network's functionality and operations until the internet disruption is resolved.

A disruption of the internet may affect the functioning of digital asset networks and the use of digital assets and subsequently the value of our ADSs.

***The impact of geopolitical and economic events on the supply and demand for digital assets is uncertain.***

Geopolitical crises may motivate large-scale purchases of Bitcoin and other digital assets, which could increase the price of Bitcoin and other digital assets rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior dissipates, adversely affecting the value of our inventory following such downward adjustment. Such risks are similar to the risks of purchasing commodities in general in uncertain times, such as the risk of purchasing, holding or selling gold. Alternatively, as an emerging asset class with limited acceptance as a payment system or commodity, global crises and general economic downturn may discourage investment in digital assets as investors focus their investment on less volatile asset classes as a means of hedging their investment risk.

As an alternative to fiat currencies or CBDCs that are backed by central governments, most digital assets, which are a relatively new type of asset, are subject to supply and demand forces. How such supply and demand will be impacted by geopolitical events is largely uncertain but could be harmful to us and investors in our ADSs. Political or economic crises may motivate large-scale acquisitions or sales of digital assets either globally or locally. Such events could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or any other digital assets we mine or otherwise acquire or hold for our own account.

***Our operations, investment strategies and profitability may be adversely affected by competition from other methods of investing in digital assets or tracking digital asset markets.***

We compete with other users and/or companies that are mining digital assets and other potential financial vehicles that seek to provide exposure to digital asset prices, including securities backed by, or linked to, digital assets. Market and financial conditions, and other conditions beyond our control, may make it more attractive to invest in certain financial vehicles, or to invest in digital assets directly, which could limit the market for our ADSs and reduce their liquidity. In addition, the emergence of other financial vehicles and exchange-traded funds that provide exposure to digital asset prices have been scrutinized by regulators and such scrutiny and the negative impressions or conclusions resulting from such scrutiny could be applied to our business and impact our ability to successfully pursue our strategy or operate at all, or to establish or maintain a public market for our ADSs.

The global market for digital assets is generally characterized by supply constraints that may differ from those present in the markets for commodities or other assets such as gold and silver. The mathematical protocols under which certain digital assets are mined permit the creation of a limited, predetermined amount of currency, while others have no limit established on total supply. To the extent that other vehicles investing in digital assets or tracking digital asset markets form and come to represent a significant proportion of the demand for digital assets, large redemptions of the securities of those vehicles and the subsequent sale of digital assets by such vehicles could negatively affect digital assets prices and therefore affect the value of the digital asset inventory we hold.

There has been a growing number of attempts to list on national securities exchanges the shares of funds that hold Bitcoin and other cryptocurrencies or that have exposure to Bitcoin and other cryptocurrencies through derivatives, such as Bitcoin-based exchange traded funds (“ETFs”). These investment vehicles are intended to provide institutional and retail investors with exposure to cryptocurrency markets and related products. On January 10, 2024, the SEC approved the listing and trading of ETFs that track the spot price of Bitcoin. Since their approval, spot Bitcoin ETFs have attracted substantial net inflows and contributed to increased institutional participation in the Bitcoin market. During 2024 and 2025, the market price of Bitcoin increased significantly, and the aggregate market capitalization of Bitcoin exceeded \$1 trillion at various times, based on Bitcoin prices quoted on CoinGecko.com. While the price of Bitcoin remains volatile, we believe the approval of spot Bitcoin ETFs reflects increasing institutional acceptance and broader adoption of Bitcoin.

Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our strategy at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any Bitcoin or other cryptocurrencies we mine or otherwise acquire or hold for our own account, and harm investors in our ADSs.

***The nature of our business requires the application of complex financial accounting rules, and there is limited guidance from accounting standard setting bodies. If financial accounting standards undergo significant changes, our operating results could be adversely affected.***

The accounting rules and regulations that we must comply with are complex and subject to interpretation by the IFRS Foundation, International Accounting Standards Board (the “IASB”), the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and may even affect the reporting of transactions completed before the announcement or effectiveness of a change. Recent actions and public comments from the IASB and the SEC have focused on the integrity of financial reporting and internal controls. In addition, many companies’ accounting policies are being subject to heightened scrutiny by regulators and the public. Further, there has been limited precedents for the financial accounting of cryptocurrencies and related valuation and revenue recognition, and no official guidance has been provided by the IASB or the SEC. As such, there remains significant uncertainty on how companies can account for cryptocurrencies transactions, cryptocurrencies, and related revenue. Uncertainties in or changes to regulatory or financial accounting standards could result in the need to change our accounting methods and restate our financial statements and impair our ability to provide timely and accurate financial information, which could adversely affect our financial statements, result in a loss of investor confidence, and more generally impact our business, operating results and financial condition.

### **Risks Related to Third Parties**

***We rely on our Custodian for the long-term holding of our digital assets, and actual or perceived security threats could result in the loss of our assets, which would have an adverse impact on our ADSs.***

We rely on third parties to safeguard our digital assets from theft, loss, destruction or other issues relating to hackers and technological attack, including the Custodian for our Bitcoin holdings. Such parties are responsible for taking such steps as they determine, in their sole judgment, to be required to maintain access to the private keys controlling our digital assets and prevent their exposure from hacking, malware and general security threats, including the use of “cold storage,” of our long-term holdings. These safeguards may be breached due to the actions of outside parties, our third-party service providers or partners, error or malfeasance of an employee of ours, the Custodian or otherwise, and, as a result, an unauthorized party may obtain access to our assets held with the Custodian, our private keys (and therefore the digital assets) or other data. Additionally, threat actors may attempt to fraudulently induce our employees or those of the Custodian to disclose sensitive information (including personal data) in order to gain access to our or the Custodian’s infrastructure. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, either or both of the Company and the Custodian or other service providers may be unable to anticipate these techniques or implement adequate preventative measures. In addition, these third parties, including the Custodian, may become insolvent, in which case we may have difficulty accessing digital assets held by those third parties and may even lose all or a portion of the digital assets held by such parties. Financial difficulty, fraud or misrepresentation at one of these institutions could also impair our operational capabilities or capital position. An actual or perceived security breach (including data, cyber and physical) at the Custodian could harm our ability to operate, result in loss of our assets, damage our reputation and negatively affect the market perception of our effectiveness, all of which could in turn adversely affect the value of our ADSs.

***The limited rights of legal recourse against our Custodian of our digital assets available to us and our lack of insurance protection for risk of loss of our digital assets exposes us to the risk of loss of our digital assets for which no person may ultimately be held liable and we may not be able to recover our losses.***

We do not insure the digital assets that we hold against loss, including losses due to theft, destruction, inability to access digital assets or loss in value. While the Custodian holding our long-term digital asset holdings has indicated to us that it has insurance coverage of up to \$200 million that covers losses of the digital assets it custodies on behalf of its clients, including our digital assets, resulting from theft, we cannot be assured that the Custodian will maintain adequate insurance or that such coverage will cover all theft-related losses with respect to our digital assets. For example, if the Custodian suffered a theft resulting in losses greater than \$200 million, claims would be distributed pro rata among affected clients. Furthermore, under the custodian agreement, the Custodian is not liable to us for any lost profits or any direct, special, incidental, indirect, intangible, or consequential damages, whether based in contract, tort, or negligence, and whether or not the Custodian has been advised of such losses or the Custodian knew or should have known of the possibility of such damages. In addition, our digital assets held by the Custodian and the digital asset trading platforms we use are not deposits insured by the Federal Deposit Insurance Corporation and are not protected by the Securities Investor Protection Corporation. In the UK, the digital assets held by the Custodian and the digital asset trading platforms we use are not protected by the Financial Services Compensation Scheme. In Canada, our digital assets held by the Custodian and the digital asset trading platforms we use are not insured by the Canadian Deposit Insurance Corporation and are not protected by the Canadian Investor Protection Fund. Therefore, a theft-related loss may be suffered with respect to our digital assets which is not covered by insurance and we may not be able to recover any of the value in these digital assets if they are lost or stolen. If we are not otherwise able to recover losses and damages arising from the loss or theft of our digital assets, our business and results of operations may suffer, which may have a material negative impact on our ADS price.

***We may store our digital assets on digital asset trading platforms that are less secure than that of our Custodian, which could subject our digital assets to the risk of loss or access.***

Although we rely on the Custodian to secure our long-term digital asset holdings, we also store our digital assets on various digital asset trading platforms, including through “hot” wallets, which requires us to rely on the security protocols of these trading platforms to safeguard our digital assets. No security system is perfect and other trading platforms have been subject to hacks resulting in the loss of businesses’ and customers’ digital assets in the past. Such trading platforms may not be as well capitalized as the Custodian and (i) may have different or less adequate security procedures and operational infrastructure than the Custodian, (ii) may not have insurance to a level necessary to cover any loss or (iii) may not recompensate for loss where permitted under the laws of the relevant jurisdiction. In addition, malicious actors may be able to intercept our digital assets when we transact in or otherwise transfer our digital assets, such as moving our digital assets from long-term cold storage with the Custodian to our accounts at a trading platform or other “hot” wallets. Malicious actors may also be able to intercept our digital assets while we are in the process of selling them via such trading platforms. Digital asset trading platforms have been an appealing target for malicious actors in the past, and given the growth in their size and their relatively unregulated nature, we believe these trading platforms will become a more appealing target for malicious actors. An actual or perceived security breach at the digital asset trading platforms with which we have accounts could harm our ability to operate, result in loss of our assets, damage our reputation and negatively affect the market perception of our effectiveness, all of which could adversely affect the value of our ADSs.

***Disruptions in digital asset trading counterparties or market liquidity could adversely affect our business.***

We may from time to time transact in digital assets through over-the-counter (“OTC”) trading desks or other market participants in order to convert digital assets to fiat currencies. Disruptions at, or withdrawal from the market by, such counterparties could adversely affect our ability to purchase or sell digital assets on favorable terms. In addition, reduced liquidity in digital asset markets, whether due to disruptions at OTC trading desks, exchanges or other market participants, could negatively impact our ability to value or liquidate our Bitcoin. If sufficient liquidity is not available, we may be required to transact at unfavorable prices or incur higher fees and associated costs, which could adversely affect our business, financial condition and results of operations.

***Banks and financial institutions may not provide banking services, or may cut off services, to businesses that engage in digital asset-related activities or that accept digital assets as payment, including financial institutions of investors in our ADSs.***

In the future, we may be unable to find banks or financial institutions that are willing to provide us with bank accounts and other services or such service may be interrupted by government action, as has happened to other companies in our industry. This could occur as a result of compliance risk, cost, government regulation or public pressure. The risk applies to securities firms, clearance and settlement firms, national stock and derivatives on commodities exchanges, the over-the-counter market, and the Depository Trust Company. A decision by any such entity to adopt or implement such policies, rules or regulations, could negatively affect our relationships with such financial institutions and impede our ability to convert digital assets to fiat currencies. Such factors could have a material adverse effect on our ability to continue as a going concern or to pursue our strategy at all, which could have a material adverse effect on our business, prospects or operations and harm investors. Several recent actions by U.S. banking regulators are already impacting access to banking services within the digital assets sector, including (i) a February 23, 2023 “Interagency Liquidity Risk Statement” by the Federal banking agencies cautioning banks on contagion risks posed by providing services to digital assets customers, (ii) the Federal Reserve Board’s denial of Custodia Bank’s application of a Federal Reserve account, (iii) crypto-related divestiture orders in other banking transaction approvals, and (iv) the winddown of support for digital asset customers at the failed institutions of Silvergate Bank and Signature Bank.

***We are exposed to risk of nonperformance by counterparties in our power supply arrangements, including our counterparties under the planned power arrangements.***

We are exposed to risk of nonperformance by counterparties in our power supply arrangements, whether contractual or otherwise. Risk of nonperformance includes inability or refusal of a counterparty to perform because of a counterparty’s financial condition and liquidity or for any other reason. For example, our counterparties under the planned power arrangements may be unable to deliver the required amount of power for a variety of technical or economic reasons. Furthermore, there is a risk that during a period of power price fluctuations or prolonged or sharp power price increases on the market, our counterparties may find it economically preferable to refuse to supply power to us, despite the contractual arrangements. Any significant nonperformance by counterparties could have a material adverse effect on our business, prospects, financial condition, and operating results.

### **Risks Related to Cryptocurrency Mining**

***There are risks related to technological obsolescence, the vulnerability of the global supply chain for cryptocurrency mining hardware to disruption, and difficulty in obtaining new hardware which may have a negative effect on our business.***

Our mining operations can only be successful and ultimately profitable if the costs, including hardware and electricity costs, associated with mining cryptocurrencies, including Bitcoin, are lower than the revenue we are able to earn from mining such cryptocurrencies. Over the course of our mining operations, our mining machines experience ordinary wear and tear, and may also face more significant malfunctions caused by a number of extraneous factors beyond our control. In addition, advances in mining technology will require us to, over time, replace those mining machines which are no longer profitable. These repair and upgrading processes require substantial and continuous capital investment, and we may face challenges in doing so on a timely and cost-effective basis. In addition, there is no guarantee that our mining machines will be free from defect or failure, and any such failures or defects could require us to seek replacements for newly acquired mining machines.

As new technological innovations occur, including in quantum computing, there are no assurances that we will be able to adopt or effect such new innovations, or that we will be able to acquire new and improved equipment to stay competitive or that our existing software or other equipment will not become obsolete, uncompetitive or inefficient. Disruption to our supply chain could prevent us from acquiring this software and any other equipment required to operate our business and remain competitive, which could have a material adverse effect on our business, results of operations and financial condition.

We face competition in acquiring mining machines from major manufacturers, and at a given time, mining machines may only be available for pre-order months in advance. For example, the lead time for new mining hardware from our manufacturers varies from three to twelve months depending on a number of factors, including: the manufacturer, type of hardware and technology, and market conditions. When mining conditions are favorable, the lead time usually increases from all suppliers and manufacturers in the industry and tends to be between six to 12 months. If we are unable to acquire new mining machines, or if our cost for new mining machines is excessively high, we may not be able to keep up with our competitors, which may materially and adversely affect our business and results of operations. In some periods, the industry has experienced, and we expect may experience again in the future, a scarcity of advanced mining machines, as few manufacturers are capable of producing a sufficient number of mining machines of adequate quality to meet demand. We have acquired, and may continue to acquire in the future, mining machines through third-party hosting providers that have relationships with equipment suppliers. Such orders are typically in "bulk" and therefore there is no guarantee that we will receive our full allocation of mining machines if the supplier does not deliver the full order. Furthermore, as we transition to operating our own facilities, we will be required to establish and maintain relationships with mining machine manufacturers directly, and we may face competition from larger or other preferred customer relationships. As a result of intense competition for the latest generation mining machines, or if we unexpectedly need to replace our mining machines due to a faulty shipment or other failure, we may not be able to secure replacement machines at reasonable costs on a timely basis.

***The facilities in which our mining operations are conducted and our mining equipment may experience damages, including damages that are not covered by insurance.***

The facilities in which our mining operations are conducted in Canada and the United States are, and any future mining facilities we establish or which we mine from will be, subject to a variety of risks relating to physical condition and operation, including:

- the presence of construction or repair defects or other structural or building damage;
- any noncompliance with, or liabilities under, applicable environmental, health or safety regulations or requirements or building permit requirements;
- any damage resulting from natural disasters, such as hurricanes, earthquakes, fires, floods and windstorms; and
- claims by employees and others for injuries sustained at our properties.

For example, our facilities could be rendered inoperable, temporarily or permanently, as a result of a fire or other natural disaster or by a terrorist or other attack on the facility or infrastructure on which it relies. The security and other measures we take to protect against these risks may not be sufficient or may be outside of our control. Additionally, our hosted and owned facilities could be materially adversely affected by local or regional failures in infrastructure, a power outage or loss of access to the electrical grid or loss by the grid of cost-effective sources of electrical power generating capacity (including but not limited to increased charges or costs applicable to specific sectors in line with national or regional policies). Given the power requirement, it would not be feasible to run our mining machines on back-up power generators in the event of a power outage. We cannot control the supply of electricity used by its operations nor do we have alternate sources of off-grid supply.

The potential physical impacts of climate change on our operations are highly uncertain and would be particular to the geographic circumstances in areas in which we operate. These may include changes in rainfall and storm patterns and intensities, flooding, heatwaves, wildfires, droughts, water shortages, changing sea levels and changing temperatures. The impacts of climate change may materially and adversely impact the cost, production and financial performance of our operations. Further, any impacts to our business and financial condition as a result of climate change are likely to occur over a sustained period of time and are therefore difficult to quantify with any degree of specificity. For example, extreme weather events may result in adverse physical effects on portions of our infrastructure, which could disrupt our supply chain and ultimately our business operations. Insufficiently prepared facilities could be unable to deal with more frequent and intense occurrences of such events. In addition, disruption of transportation and distribution systems could result in reduced operational efficiency. Climate related events have the potential to disrupt our business and may cause us to experience higher attrition, losses and additional costs to resume operations.

The performance and reliability of our mining technology will also be critical to our reputation and our operations. If there are any technological issues with our mining equipment, our entire fleet could be affected. In particular, any error or failure may significantly delay response times or even cause our mining operations to fail. Any disruption in our ability to continue mining could result in lower yields and harm our reputation and business. Any exploitable weakness, flaw, or error common to our mining equipment may affect our ability to mine, and if a defect or other flaw is exploited, our entire mining operation could go offline simultaneously. Any interruption, delay or system failure could have a material adverse effect on our business, prospects, financial condition, and operating results.

In the event of an uninsured loss, including a loss in excess of insured limits, at any of the hosted or owned facilities in our network, such mining machines may not be adequately repaired in a timely manner or at all and we may lose some or all of the future revenues anticipated to be derived from such mining machines.

***We rely on third-party mining pool operators to pay us mining rewards, the failure of which would have a negative impact on our operations.***

We currently participate in mining pools organized by third parties to receive our mining rewards. Mining pools allow miners to combine their processing power, increasing their chances of solving a block and getting paid by the network, as well as provide ancillary services such as dashboard and other monitoring software. The rewards are collected by the pool operator and then distributed by the pool operator to each miner in the pool, proportionally to a miner's contribution to the pool's overall mining power, used to generate each block.

If the pool operator's system suffers downtime due to a cyberattack, software malfunction or other similar issue, it will negatively impact our ability to mine and receive revenue. Furthermore, we are dependent on the accuracy of the mining pool operator's record keeping to accurately record the total processing power provided to the pool for a given Bitcoin or other cryptocurrency mining application in order to assess the proportion of that total processing power we provided. While we have internal methods of tracking both our power provided and the total power used by the pool, the mining pool operator uses its own record-keeping to determine our proportion of a given reward. We may have little means of recourse against the mining pool operator if we fail to receive a payout or determine the proportion of the reward paid out to us by the mining pool operator is incorrect, other than leaving the pool. If we are unable to consistently obtain accurate proportionate rewards from our mining pool operators, we may experience reduced reward for these efforts, which would have an adverse effect on our business and operations. In addition, our proportion of mining rewards are temporarily held by the operator of the pool until they are distributed to us. During this time, our cryptocurrency may be subject to risk of loss due to theft or loss, among other things, and distributions of our cryptocurrency from the pool operator to our Custodian or other wallets may be intercepted by malicious actors.

If the pool operator ceases to provide services (whether related to a cyberattack, software malfunction or other similar issue) or discovers a shortfall in the digital assets held by the pool, the revenue generated by us from the pool may never be paid to us, and we may have little means of recourse against the mining pool operator.

***The cryptocurrency for which we currently mine, Bitcoin, is subject to halving; the cryptocurrency reward for successfully uncovering a block will halve several times in the future and the cryptocurrency's value may not adjust to compensate us for the reduction in the rewards we receive from our mining efforts.***

Halving is a process designed to control the overall supply and reduce the risk of inflation in cryptocurrencies using a proof-of-work consensus algorithm. At a predetermined block, the mining reward is cut in half, hence the term "halving." For Bitcoin, the reward was initially set at 50 Bitcoin currency rewards per block and was cut in half to 25 on November 28, 2012, at block 210,000, again to 12.5 on July 9, 2016, at block 420,000, and again to 6.25 on May 11, 2020, at block 630,000. The most recent halving for Bitcoin occurred on April 19, 2024, at block 840,000, when the reward was reduced to 3.125. This process will recur until the total amount of Bitcoin currency rewards issued reaches 21 million, which is expected around 2140. As of December 31, 2025, the total number of Bitcoin currency rewards issued was approximately 19.8 million. While Bitcoin has had a history of price fluctuations around the halving of its block reward, there is no guarantee that the price change will be favorable or would compensate for the reduction in mining reward. If a corresponding and proportionate increase in the trading price of Bitcoin does not follow halving events, the revenue we earn from our mining operations would decrease, which could have a material adverse effect on our business, financial condition and results of operations. These halving events occur periodically and reduce the block reward earned by miners, and there can be no assurance that market prices will adjust to offset such reductions.

***We may not be able to secure access to electricity on a sufficiently firm and unrestricted basis or at a price that we are willing to pay.***

Cryptocurrency mining is dependent on access to stable and reliable electricity supply. There has been a substantial increase in the demand for electricity for cryptocurrency mining, and this has had varying impacts on local electricity supply. Additionally, we currently rely on renewable sources of power and plan to increase our reliance on renewable sources of power in the future. Renewable power is generally an intermittent and variable source of electricity, which may not always be available. Because the electrical grid has very little storage capacity, the balance between electricity supply and demand must be maintained at all times to avoid a blackout or other cascading problem. Intermittent sources of renewable power are challenging because they disrupt the conventional methods for planning the daily operation of the electrical grid. Their power fluctuates over multiple time horizons, forcing the grid operator to adjust its day-ahead, hour-ahead, and real-time operating procedures.

Should our operations require more electricity than can be supplied in the areas where the facilities in which our mining operations are conducted are located or should the electrical transmission grid and distribution systems be unable to provide the continuous, steady supply of electricity required, we may have to limit or suspend activities or reduce the speed of our proposed expansion, either voluntarily or as a result of either quotas imposed by energy companies or governments, or increased prices for certain users (such as us). If we are unable to procure electricity at a suitable price, we may have to shut down our operations in that particular jurisdiction either temporarily or permanently. Additionally, our cryptocurrency mining machines would be materially adversely affected by a power outage. Given the power requirement, it would not be feasible to run mining machines on back-up power generators in the event of a government restriction on electricity or a power outage, which may be caused by weather, acts of God, wildfires, pandemics, falling trees, falling distribution poles and transmission towers, transmission and distribution cable cuts, other force majeure events in the electricity and natural gas markets and/or the negligence or malfeasance of others. If we are unable to receive adequate power supply and are forced to reduce or shut down our operations due to the availability or cost of electrical power, our business would experience materially negative impacts, including a material adverse effect on the Company's revenue.

If we are unable to receive adequate power supply and are forced to reduce our operations due to the availability or cost of electrical power, our business would experience materially negative impacts.

***As a result of the Federal Power Act and the U.S. Federal Energy Regulatory Commission's regulations over public utilities and reliability of the interstate transmission grid, suppliers of electricity that are required for our operation may be required to curtail or discontinue the supply of electricity to our cryptocurrency mining operations, including regulations seeking to limit carbon dioxide emissions from power generation.***

Under the Federal Power Act (the "FPA"), the Federal Energy Regulatory Commission ("FERC") has jurisdiction over certain facilities used in the generation and transmission of electricity, including transmission facilities, certain generation interconnection facilities, power plant change in control, operation of the transmission grid, and various "paper" facilities, such as wholesale power sales contracts and market-based rate tariffs. The FPA requires FERC to establish and maintain reliability standards, and FERC has designated the National Electric Reliability Coordinator to effectuate this obligation. Operation of the transmission grid in several regions in which we may locate a cryptocurrency mining facility are governed by Independent System Operators ("ISO") or Regional Transmission Organizations ("RTO"), all which are public utilities subject to FERC jurisdiction. To effectuate the continuous, firm supply electricity necessary for productive operation of our crypto-mining operation, it may be necessary to co-locate our facilities with power generation facilities and have such power generation facilities obtain approval from relevant ISO/RTO and other authorities to derate their generation resource for ISO/RTO purposes in favor of supplying electricity to our mining operations.

Such approvals may not be forthcoming on terms that are economic or practicable. Federal authorities may also pursue and implement legislation and regulation that seeks to limit the amount of carbon dioxide produced from electric generation, which would affect the availability and price of electricity sourced from power grids that are dependent upon fossil fuel-fired sources of power generation. Where we purchase electricity from the grid, this could impact us in a potentially material adverse manner. The bankruptcy or insolvency of any power generator or wholesale market supplier from whom we expect to obtain supply for our mining operations could also result in a curtailment or loss of supply, which would have a material adverse effect on our ability to continue mining operations.

***We may be affected by price fluctuations in the wholesale and retail power markets.***

While we anticipate that the majority of our power arrangements will contain fixed power prices, we expect that they may contain certain price adjustment mechanisms in case of certain events. Furthermore, some portion of our power arrangements is expected to be priced by reference to published index prices and, thus, reflect market movements.

Market prices for power, generation capacity and ancillary services, are unpredictable. Depending upon the effectiveness of any price risk management activity undertaken by us, an increase in market prices for power, generation capacity, and ancillary services may adversely affect our business, prospects, financial condition, and operating results. Long- and short-term power prices may fluctuate substantially due to a variety of factors outside of our control, including, but not limited to:

- changes in power transmission or fuel transportation capacity constraints or inefficiencies;
- volatile weather conditions, particularly unusually hot or mild summers or unusually cold or warm winters;
- technological shifts resulting in changes in the demand for power or in patterns of power usage, including the potential development of demand-side management tools, expansion and technological advancements in power storage capability and the development of new fuels or new technologies for the production or storage of power;
- federal and state power, market and environmental regulation and legislation; and
- changes in capacity prices and capacity markets.

A substantial increase in electricity costs could render cryptocurrency mining services we may offer ineffective or not viable for us. Market prices for power, generation capacity and ancillary services are unpredictable. If we are unable to secure power supply at prices or on terms acceptable to us, it would have a material adverse effect on our business, prospects, financial condition, and operating results.

***As a result of state, provincial and local regulations over electric distribution utilities and retail electricity suppliers, we may not be able to obtain electricity on terms and conditions that are economic and practicable.***

To the extent that our consumption of electricity is viewed as a retail sale of electricity, then state, provincial and local authorities will have jurisdiction over such retail sale and the distribution of electricity to our retail use. Such regulation and costs as required by these authorities may not be economic or practicable for our mining operations. State, provincial and local authorities may also pursue and implement legislation and regulation that seeks to limit the amount of carbon dioxide produced from electric generation, which could affect our ability to source electricity from fossil fuel-fired electric generation in a potentially material adverse manner. There may also be other utility services required for the productive and efficient operation of the facilities in which our mining operations are conducted, such as water. Obtaining the regulatory approvals and terms of service for any needed supply of water may not be forthcoming on terms that are economic and practicable to our mining operations. The bankruptcy or insolvency of any electric distribution utility or retail electric supplier from whom we expect to obtain supply for our mining operations could also result in a curtailment or loss of supply, which would have a material adverse effect on our ability to continue mining operations.

Our operations in Québec are dependent on electricity supplied by Hydro-Québec. In 2026, Hydro-Québec proposed to the Régie de l'énergie changes to electricity rate structures applicable to large data centers and facilities engaged in cryptographic use, including blockchain mining operations. The proposal contemplates the potential implementation of new or adjusted rates for customers consuming significant electrical capacity, including rates that may be materially higher than historical pricing available to certain digital asset mining operations. While the proposal remains subject to regulatory review and approval, and transitional arrangements may apply to certain existing customers, there can be no assurance that electricity rates applicable to our Québec operations will not increase materially in future periods.

Any material increases in electricity costs, inability to secure sufficient capacity, or adverse regulatory determination could significantly increase our operating expenses, reduce operating margins, impair the economic viability of current or future mining deployments in Québec, and adversely affect our financial condition and results of operations. In such circumstances, we may be required to curtail or cease some or all of our Québec mining operations and redeploy, sell or otherwise dispose of related mining equipment, which could result in asset impairment charges, reduced revenues and additional costs, and could materially adversely affect our business, financial condition and results of operations.

***We may have difficulty securing and maintaining suitable mining facilities.***

We currently operate our cryptocurrency mining machines from one owned facility in Canada and two leased facilities in the United States. Certain of our prior hosting arrangements have expired, and we have transitioned, or are in the process of transitioning, a portion of our mining fleet to new locations.

Our ability to secure and maintain suitable hosting arrangements is subject to market conditions, availability of power and cost volatility. We may not be able to enter into new hosting agreements, or renew or replace existing arrangements, on acceptable terms, or at all. If we are unable to secure suitable hosting arrangements, we may be required to further relocate our mining operations, sell or redeploy mining equipment, as we have done following the expiration of certain prior hosting arrangements, or temporarily suspend operations at certain sites.

Relocating any mining operation requires the incurrence of costs to transition to a new facility, including, but not limited to, transportation expenses, insurance, downtime during which we are unable to mine, legal and administrative costs to negotiate new arrangements, de-installation at existing facilities and installation at new facilities. These costs may be substantial, and we cannot guarantee that we will be successful in transitioning our mining machines to new locations in a timely or cost-effective manner.

In addition, we may have difficulty locating sites that satisfy our operational and economic requirements, including access to sufficient electrical capacity at acceptable rates. If we are unable to secure suitable mining facilities on commercially reasonable terms, this could have a material adverse effect on our business, prospects, financial condition and results of operations.

**Risks Related to Government Regulation**

***We are subject to an extensive and rapidly-evolving regulatory landscape and any adverse changes to, or our failure to comply with, any laws and regulations could adversely affect our brand, reputation, business, operating results and financial condition.***

Our business may be or may become subject to extensive laws, rules, regulations, policies, orders, determinations, directives, treaties, and legal and regulatory interpretations and guidance in the markets in which we operate or in the United Kingdom, the jurisdiction of our incorporation, including those typically applied to financial services and banking, securities, commodities, the exchange, and transfer of digital assets, cross-border and domestic money and cryptocurrency transmission businesses, as well as those governing data privacy, data governance, data protection, cybersecurity, fraud detection, payment services (including payment processing and settlement services), consumer protection, antitrust and competition, bankruptcy, tax, anti-bribery, economic and trade sanctions, anti-money laundering, and counter-terrorist financing. Many of these legal and regulatory regimes were adopted prior to the advent of the internet, mobile technologies, digital assets, and related technologies. As a result, they often do not contemplate or address unique issues associated with digital assets, are subject to significant uncertainty, and vary widely across U.S. federal, state, and local and international jurisdictions. These legal and regulatory regimes, including the laws, rules, and regulations thereunder, evolve frequently and may be modified, interpreted, and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another. Moreover, the relative novelty and evolving nature of our business and the significant uncertainty surrounding the regulation of digital assets requires us to exercise our judgment as to whether certain laws, rules, and regulations apply to us, and it is possible that governmental bodies and regulators may disagree with our conclusions. To the extent we have not complied with such laws, rules, and regulations, we could be subject to significant fines, limitations on our business, reputational harm, and other regulatory consequences, as well as criminal penalties, each of which may be significant and could adversely affect our business, operating results and financial condition.

Our cryptoasset mining activities are not currently regulated activities for purposes of the UK Financial Services and Markets Act 2000, and we are not currently required to register with the UK Financial Conduct Authority under the Money Laundering Regulations 2017 because we do not operate as a cryptoasset exchange provider or custodian wallet provider. We do not offer crypto asset derivatives nor do we engage with or advertise to retail consumers. Our business is to mine crypto assets as principal, and we bear the risks and rewards of such endeavors. We have no current plans to engage in the offering of crypto asset derivatives or engage with retail consumers.

In addition to existing laws and regulations, various governmental and regulatory bodies, including legislative and executive bodies, in the United States and in other countries may adopt new laws and regulations, or new interpretations of existing laws and regulations may be issued by such bodies or the judiciary, which may adversely impact the development and use of digital assets as a whole, cryptocurrency mining operations, and our legal and regulatory status in particular by changing how we operate our business, how our operations are regulated, and what products or services we and our competitors can offer, requiring changes to our compliance and risk mitigation measures, imposing new licensing requirements or new costs of doing business, or imposing a total ban on certain activities or transactions with respect to digital assets, as has occurred in certain jurisdictions in the past.

Due to our business activities, if laws or regulations (or their interpretation) change, we may become subject to ongoing examinations, oversight and reviews by U.S. federal and state regulators and, to the extent our activities become subject to their jurisdiction, foreign financial services regulators (including the UK Financial Conduct Authority), which would have broad discretion to audit and examine our business. Adverse changes to, or our failure to comply with, any laws and regulations have had, and may continue to have, an adverse effect on our reputation and brand and our business, operating results and financial condition.

***We are subject to governmental regulation and other legal obligations related to data privacy, data protection and information security. If we are unable to comply with these, we may be subject to governmental enforcement actions, litigation, fines and penalties or adverse publicity.***

We collect and process data, including personal, financial and confidential information about individuals, including our employees and business partners. The collection, use and processing of such data about individuals are governed by data privacy laws and regulations enacted in the UK, EU, U.S. (federal and state), and other jurisdictions around the world. These data privacy laws and regulations are complex, continue to evolve, and on occasion may be inconsistent between jurisdictions leading to uncertainty in interpreting such laws and it is possible that these laws, regulations and requirements may be interpreted and applied in a manner that is inconsistent with our existing information processing practices, and many of these laws are significantly litigated and/or subject to regulatory enforcement. The implication of this includes that various federal, state and foreign legislative or regulatory bodies may enact or adopt new or additional laws and regulations concerning data privacy, data retention, data transfer, and data protection. Such laws may continue to restrict or dictate how we collect, maintain, combine and disseminate information and could have a material adverse effect on our business, results of operations, financial condition and prospects.

In the United States, there are numerous federal and state laws and regulations that could apply to our operations or the operations of our partners, including data breach notification laws, financial information and other data privacy laws, and consumer protection laws and regulations (e.g., Section 5 of the FTC Act), that govern the collection, use, disclosure, and protection of personal information.

The General Data Protection Regulation (the “**GDPR**”), which went into effect in the European Union on May 25, 2018, applies to the collection, use, retention, security, processing, and transfer of personal data of individuals in the European Economic Area (“**EEA**”) and the United Kingdom, which could further add to our compliance costs and limit how we process information. It is possible that the GDPR may be interpreted or applied in a manner that is adverse to us or otherwise inconsistent with our practices; or that the European Union or national supervisory authorities may hold that we are not in full compliance with the GDPR’s requirements. In addition, the GDPR increases the scrutiny of transfers of personal data from the EEA to the United States and other jurisdictions that the European Commission does not recognize as having “adequate” data protection laws; in July 2020, the Court of Justice of the European Union limited how organizations could lawfully transfer personal data from the EEA to the United States by invalidating the EU-US Privacy Shield and imposing further restrictions on use of the standard contractual clauses, which could increase our costs and our ability to efficiently process personal data from the EEA. Following the withdrawal of the United Kingdom from the European Union and the expiry of the transition period, from January 1, 2021, we have to comply with the GDPR and separately the GDPR as implemented in the United Kingdom, each regime having the ability to fine up to the greater of €20 million/£17 million or 4% of global turnover. The relationship between the United Kingdom and the European Union in relation to certain aspects of data protection law remains unclear, including how data transfers between European Union member states and the United Kingdom will be treated. These changes may lead to additional compliance costs and could increase our overall risk. Failure to comply with the requirements of the GDPR and the applicable national data protection laws of the EEA member states may result in fines and other administrative penalties. Government enforcement actions can be costly and interrupt the regular operation of our business, and data breaches or violations of data privacy laws can result in fines, reputational damage and civil lawsuits, any of which may adversely affect our business, financial condition, and results of operations. Also, like many websites, we use cookies and other tracking technologies on our website. In recent years, European lawmakers and regulators have expressed concern over electronic marketing and the use of nonessential cookies, web beacons and similar technology for online behavioral advertising, or tracking technologies, leading to an effort to replace the current rules on e-marketing (currently set out in the ePrivacy Directive and national implementing laws) with a new ePrivacy Regulation. When implemented, the new ePrivacy Regulation is expected to alter rules on tracking technologies and significantly increase fining powers to the same levels as the GDPR.

***We are subject to extensive environmental, health and safety laws and regulations that may expose us to significant liabilities for penalties, damages or costs of remediation or compliance.***

Our operations and properties are subject to extensive laws and regulations governing occupational health and safety, the discharge of pollutants into the environment or otherwise relating to health, safety and environmental protection requirements in the United Kingdom, the United States and every other country and locality in which we operate. These laws and regulations may impose numerous obligations that are applicable to our operations, including acquisition of a permit or other approval before conducting construction or regulated activities; restrictions on the types, quantities and concentration of materials that can be released into the environment; limitation or prohibition of construction and operating activities in environmentally sensitive areas, such as wetlands; imposing specific health and safety standards addressing worker protection; and imposition of significant liabilities for pollution resulting from our operations, including investigation, remedial and clean-up costs. Failure to comply with these requirements may expose us to fines, penalties and/or interruptions in our operations that could have a material adverse effect on our financial position, results of operations and cash flows. Certain environmental laws may impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed or otherwise released into the environment, even under circumstances where the hazardous substances were released by prior owners or operators or the activities conducted and from which a release emanated complied with applicable law. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by noise or the release of hazardous substances into the environment.

The trend in environmental regulation has been to place more restrictions and limitations on activities that may be perceived to impact the environment, and thus there can be no assurance as to the amount or timing of future expenditures for environmental regulation compliance or remediation. New or revised regulations that result in increased compliance costs or additional operating restrictions could have a material adverse effect on our financial position, results of operations and cash flows.

***The regulatory and legislative developments related to climate change, may materially adversely affect our brand, reputation, business, operating results and financial condition.***

A number of governments or governmental bodies have introduced or are contemplating legislative and regulatory changes in response to various climate change interest groups and the potential impact of climate change. Given the very significant amount of electrical power required to operate cryptocurrency mining machines, as well the environmental impact of mining for the rare earth metals used in the production of mining servers, the cryptocurrency mining industry may become a target for future environmental and energy regulation. For example, in June and July of 2021, the Chinese government prohibited the operation of mining machines and supply of energy to mining businesses, citing concerns regarding high levels of energy consumption, which resulted in a large scale shut down of mining operations. Legislation and increased regulation regarding climate change could impose significant costs on us and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs to comply with such regulations. Specifically, imposition of a carbon tax or other regulatory fee in a jurisdiction where we operate or on electricity that we purchase could result in substantially higher energy costs, and due to the significant amount of electrical power required to operate cryptocurrency mining machines, could in turn put our facilities at a competitive disadvantage. Any future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Given the political significance and uncertainty around the impact of climate change and how it should be addressed, we cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. Any of the foregoing could have a material adverse effect on our financial position, results of operations and cash flows.

***Our transactions in digital assets may expose us to countries, territories, regimes, entities, organizations and individuals that are subject to sanctions and other restrictive laws and regulations.***

The Office of Foreign Assets Control of the U.S. Department of the Treasury (“**OFAC**”) and the U.S. Department of State administer and enforce economic sanctions programs based on foreign policy and national security goals against targeted countries, territories, regimes, entities, organizations and individuals. In the UK: the Foreign, Commonwealth and Development Office is responsible for the UK’s international sanctions policy, including all international sanctions regimes and designations; the Office of Financial Sanctions Implementation (“**OFSI**”), which is a part of HM Treasury, is responsible for ensuring that financial sanctions are properly understood, implemented and enforced (as well as maintaining OFSI’s Consolidated List of Financial Sanctions Targets); the Department for International Trade is responsible for implementing trade sanctions and embargoes, HM Revenue & Customs is responsible for enforcing breaches of trade sanctions; and the National Crime Agency is responsible for investigating and enforcing breaches of financial sanctions. In Canada, Global Affairs Canada, Public Safety Canada and the Department of Justice administer and enforce Canada’s sanctions regime.

These laws and regulations may be implicated by a number of activities, including investing or trading. For example, in October 2021, OFAC published updated sanctions compliance guidance for the virtual currency industry. Since that time, OFAC has designated a number of actors and entities in the virtual currency industry to its list of Specially Designated Nationals (“**SDNs**”), including, in August 2022, a virtual currency mixer for alleged activities linked to money laundering and sanctioned jurisdictions. Because of the pseudonymous nature of blockchain transactions, we may not be able to determine the ultimate identity of the individuals with whom we transact with respect to buying or selling digital assets or of other members in mining pools in which we participate. We participate in mining pools that operate in jurisdictions that are not subject to the same regulatory regimes as we are, which creates the risk that we may inadvertently engage in transactions with, or contribute processing power to, a mining pool which involves persons, entities, or territories that are the target of sanctions or other restrictions. Moreover, U.S. federal law prohibits any U.S. person from knowingly or unknowingly possessing any visual depiction commonly known as child pornography. Recent media reports have suggested that persons have imbedded such depictions on one or more blockchains. Because our business requires us to download and retain one or more blockchains to effectuate our ongoing business, it is possible that such blockchains contain prohibited depictions without our knowledge or consent. To the extent government enforcement authorities enforce these and other laws and regulations that are impacted by blockchain technology, we may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties, all of which could harm our reputation and affect the value of our ADSs.

***Failure to comply with anti-corruption and anti-money laundering laws, including the FCPA and similar laws associated with our activities outside of the United States could subject us to penalties and other adverse consequences.***

We operate an international business and may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We are subject to the FCPA, the UK Bribery Act, and other applicable anti-corruption and anti-money laundering laws in certain countries in which we conduct activities. The FCPA prohibits providing, offering, promising, or authorizing, directly or indirectly, anything of value to government officials, political parties, or political candidates for the purpose of obtaining or retaining business or securing any improper business advantage. The provisions of the UK Bribery Act extend beyond bribery of government officials and create offenses in relation to commercial bribery including private sector recipients. The provisions of the UK Bribery Act also create offenses for accepting bribes in addition to bribing another person. In addition, U.S. public companies are required to maintain records that accurately and fairly represent their transactions and have an adequate system of internal accounting controls.

In many foreign countries, including countries in which we may conduct business, it may be a local custom that businesses engage in practices that are prohibited by the FCPA, UK Bribery Act, or other applicable laws and regulations. We face significant risks if we or any of our directors, officers, employees, contractors, agents or other partners or representatives fail to comply with these laws and governmental authorities in the United States, UK and elsewhere could seek to impose substantial civil and/or criminal fines and penalties which could have a material adverse effect on our business, reputation, operating results, prospects and financial condition.

Any violation of the FCPA, UK Bribery Act, other applicable anti-corruption laws, or anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and, in the case of the FCPA, suspension or debarment from U.S. government contracts, any of which could have a materially adverse effect on our reputation, business, operating results, prospects and financial condition. In addition, responding to any enforcement action or internal investigation related to alleged misconduct may result in a significant diversion of management's attention and resources and significant defense costs and other professional fees.

***If regulatory changes or interpretations of our activities require our registration or licensure as a money services business ("MSB") under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act, or otherwise under state laws, we may incur significant penalties and on-going compliance costs, which could be substantial or cost-prohibitive. If we become subject to these regulations, our costs in complying with them may have a material negative effect on our business and the results of our operations.***

To the extent that our activities cause us to be deemed an MSB under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act, we may be required to comply with FinCEN regulations, including those that would mandate us to implement an effective anti-money laundering program, make certain reports to FinCEN and maintain certain records. To the extent that our activities cause us to be deemed a money transmitter under applicable state laws, we may be required to comply with state licensure requirements, including those that would mandate us to implement varying degrees of safety and soundness, consumer protection and law enforcement requirements.

We are not presently registered as an MSB with FinCEN or licensed as a money transmitter or similar business in any state. If an applicable governmental agency determines that we have failed to register or obtain a license, we could be subject to substantial financial penalties and may be ordered to suspend or terminate operations with respect to the affected jurisdictions.

***As we continue to expand and localize our international activities, our obligations to comply with the laws, rules, regulations, and policies of a variety of jurisdictions will increase and we may be subject to investigations and enforcement actions by U.S. and non-U.S. regulators and governmental authorities.***

As we expand and localize our international activities, we have become increasingly obligated to comply with the laws, rules, regulations, policies, and legal interpretations both of the jurisdictions in which we operate and those into which we offer services on a cross-border basis. Laws regulating financial services, the internet, mobile technologies, digital assets, and related technologies in the United Kingdom, Canada, the United States and other jurisdictions often impose different, more specific, or even conflicting obligations on us, as well as broader liability. For example, we are subject to laws and regulations related to sanctions and export controls enforced by OFAC and the Department of Commerce Bureau of Industry and Security, and may in the future be required to comply with U.S. anti-money laundering and counter-terrorist financing laws and regulations, enforced by FinCEN and certain state financial services regulators.

Regulators worldwide frequently study each other's approaches to the regulation of the digital assets. Consequently, developments in any jurisdiction may influence other jurisdictions. New developments in one jurisdiction may be extended to additional services and other jurisdictions. As a result, the risks created by any new law or regulation in one jurisdiction are magnified by the potential that they may be replicated, affecting our business in another place or involving another service. Conversely, if regulations diverge worldwide, we may face difficulty adjusting our products, services, and other aspects of our business with the same effect. These risks are heightened as we face increased competitive pressure from other similarly situated businesses that engage in regulatory arbitrage to avoid the compliance costs associated with regulatory changes.

The complexity of U.S. federal and state, UK, Canadian and other international regulatory and enforcement regimes, coupled with the global scope of our operations and the evolving global regulatory environment, could result in a single event prompting a large number of overlapping investigations and legal and regulatory proceedings by multiple government authorities in different jurisdictions. Any of the foregoing could, individually or in the aggregate, harm our reputation and adversely affect our operating results and financial condition. Due to the uncertain application of existing laws and regulations, it may be that, despite our regulatory and legal analysis concluding that certain products and services are currently unregulated, such products or services may indeed be subject to financial regulation, licensing, or authorization obligations that we have not obtained or with which we have not complied. As a result, we are at a heightened risk of enforcement action, litigation, regulatory, and legal scrutiny which could lead to sanctions, cease, and desist orders, or other penalties and censures which could significantly and adversely affect our continued operations and financial condition.

***A particular digital asset's status as a "security" in any relevant jurisdiction is subject to a high degree of uncertainty and if a regulator disagrees with our characterization of a digital asset, we may be subject to regulatory scrutiny, investigations, fines, and other penalties, which may adversely affect our business, operating results and financial condition. Furthermore, a determination that Bitcoin or any other digital asset that we own or mine is a "security" may adversely affect the value of Bitcoin and our business.***

The SEC and its staff have taken the position that certain digital assets fall within the definition of a "security" under the U.S. federal securities laws. The legal test for determining whether any given digital asset is a security is a highly complex, fact-driven analysis that may evolve over time, and the outcome is difficult to predict. The SEC generally does not provide advance guidance or confirmation on the status of any particular digital asset as a security. Furthermore, the SEC's views in this area have evolved over time and it is difficult to predict the direction or timing of any continuing evolution. It is also possible that a change in the governing administration or the appointment of new SEC commissioners could substantially impact the views of the SEC and its staff. Public statements made by senior officials at the SEC indicate that the SEC does not intend to take the position that Bitcoin and Ethereum are securities (as currently offered and sold). However, such statements are not official policy statements by the SEC and reflect only the speakers' views, which are not binding on the SEC or any other agency or court and cannot be generalized to any other digital asset. As of the date of this report, with the exception of certain centrally issued digital assets that have received "no-action" letters from the SEC staff, Bitcoin and Ethereum are the only digital assets which senior officials at the SEC have publicly stated are unlikely to be considered securities. With respect to all other digital assets, there is no certainty under the applicable legal test that such assets are not securities, notwithstanding the conclusions we may draw based on our risk-based assessment regarding the likelihood that a particular digital asset could be deemed a "security" under applicable laws.

The SEC has brought enforcement actions against the promoters of several digital assets on the basis that the digital assets in question are securities. Such an enforcement action by the SEC or a state securities regulator, or a similar court decision, with respect to Bitcoin and the other digital assets we mine or trade would be expected to have an immediate material adverse impact on the trading value of such digital assets. This is because the business models behind most digital assets are incompatible with regulations applying to transactions in securities. If a digital asset is determined or asserted to be a security, it is likely to become difficult or impossible for the digital asset to be traded, cleared or custodied in the United States through the same channels used by non-security digital assets, which in addition to materially and adversely affecting the trading value of the digital asset is likely to significantly impact its liquidity and market participants' ability to convert the digital asset into U.S. dollars. For example, in 2020 the SEC filed a complaint against the promoters of XRP alleging that they raised more than \$1.3 billion through XRP sales that should have been registered under U.S. federal securities laws, but were not. In the years prior to the SEC's action, XRP's market capitalization at times exceeded \$140 billion. However, in the weeks following the SEC's complaint, XRP's market capitalization fell to less than \$10 billion, which was less than half of its market capitalization in the days prior to the complaint. The SEC's action against XRP's promoters underscores the continuing uncertainty around which digital assets are securities, and demonstrates that factors such as how long a digital asset has been in existence, how widely held it is, how large its market capitalization is and that it has actual usefulness in commercial transactions, ultimately may have no bearing on whether the SEC or a court will find it to be a security.

Under the Investment Company Act of 1940, as amended (the "Investment Company Act"), a company may fall within the definition of an investment company under section 3(c)(1)(A) thereof if it is or holds itself out as being engaged primarily, or proposes to engage primarily in the business of investing, reinvesting or trading in securities, or under section 3(a)(1)(C) thereof if it is engaged or proposes to engage in business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire "investment securities" (as defined) having a value exceeding 40% of its total assets (exclusive of government securities and cash items) on an unconsolidated basis. There is no authoritative law, rule or binding guidance published by the SEC regarding the status of digital assets as "securities" or "investment securities" under the Investment Company Act. Although we believe that we are not engaged in the business of investing, reinvesting, or trading in investment securities, and we do not hold ourselves out as being primarily engaged, or proposing to engage primarily, in the business of investing, reinvesting or trading in securities, to the extent the digital assets which we mine, own, or otherwise acquire may be deemed "securities" or "investment securities" by the SEC or a court of competent jurisdiction, we may meet the definition of an investment company. If we fall within the definition of an investment company under the Investment Company Act, as a technical matter we would be required to register with the SEC to the extent that we could not rely on an exception or exemption from the definition of investment company. As a practical matter, non-U.S. issuers cannot register as an investment company with the SEC. Further, given the nature and extent of the Investment Company Act's restrictions on affiliated transactions, incurrence of leverage and certain types of portfolio transactions, it would be impractical for us to register as an investment company. If an investment company fails to register, it likely would have to stop doing almost all business, and its contracts could become voidable.

Several foreign jurisdictions have taken a broad-based approach to classifying digital assets as "securities," while other foreign jurisdictions, such as Switzerland, Malta, and Singapore, have adopted a narrower approach. As a result, certain digital assets may be deemed to be a "security" under the laws of some jurisdictions but not others. Various foreign jurisdictions may, in the future, adopt additional laws, regulations, or directives that affect the characterization of digital assets as "securities." The classification of a digital asset as a security under applicable law has wide-ranging implications for the regulatory obligations that flow from the mining, sale and trading of such assets. For example, a digital asset that is a security in the United States may generally only be offered or sold in the United States pursuant to a registration statement filed with the SEC or in an offering that qualifies for an exemption from registration. Persons that effect transactions in digital assets that are securities in the United States may be subject to registration with the SEC as a "broker" or "dealer." Foreign jurisdictions may have similar licensing, registration, and qualification requirements.

There can be no assurances that we will properly characterize any given digital asset as a security or non-security for purposes of determining which digital assets to mine, hold and trade, or that the SEC, foreign regulatory authority, or a court, if the question was presented to it, would agree with our assessment. We could be subject to judicial or administrative sanctions for failing to offer or sell digital assets in compliance with the registration requirements, or for acting as a broker or dealer without appropriate registration. Such an action could result in injunctions, cease and desist orders, as well as civil monetary penalties, fines, and disgorgement, criminal liability, and reputational harm. Further, if Bitcoin or any other digital asset that we mine, hold and trade is deemed to be a security under the laws of any U.S. federal, state, or foreign jurisdiction, or in a proceeding in a court of law or otherwise, it may have adverse consequences for such cryptocurrency. For instance, all transactions in such supported digital asset would have to be registered with the SEC or other foreign authority, or conducted in accordance with an exemption from registration, which could severely limit its liquidity, usability and transactability. Further, it could draw negative publicity and a decline in the general acceptance of the digital asset. Also, it may make it difficult for such cryptocurrency to be traded, cleared, and custodied as compared to other cryptocurrencies that are not considered to be securities.

***Future developments regarding the treatment of cryptocurrencies for U.S. federal income and foreign tax purposes could adversely impact our business.***

Due to the new and evolving nature of cryptocurrencies and the absence of comprehensive legal guidance with respect to cryptocurrency products and transactions, many significant aspects of the U.S. federal income and foreign tax treatment of transactions involving cryptocurrencies are uncertain, and it is unclear what guidance may be issued in the future on the treatment of cryptocurrency transactions for U.S. federal income and foreign tax purposes.

In 2014, the Internal Revenue Service (“**IRS**”) released a notice, or “IRS Notice,” discussing certain aspects of “convertible virtual currency” (that is, digital currency that has an equivalent value in fiat currency or that acts as a substitute for fiat currency) for U.S. federal income tax purposes and, in particular, stating that such digital currency (i) is “property” (ii) is not “currency” for purposes of the rules relating to foreign currency gain or loss and (iii) may be held as a capital asset. In 2019, the IRS released a revenue ruling and a set of “Frequently Asked Questions”, or the “Ruling & FAQs,” that provide some additional guidance, including guidance to the effect that, under certain circumstances, hard forks of digital currencies are taxable events giving rise to ordinary income and guidance with respect to the determination of the tax basis of digital currency. However, the IRS Notice and the Ruling & FAQs do not address other significant aspects of the U.S. federal income tax treatment of cryptocurrencies and related transactions.

The UK tax authorities have issued published guidance which covers similar issues to those covered in the IRS guidance mentioned above. Some guidance has also been provided on other topics including, in particular, regarding the Value Added Tax (“**VAT**”) treatment of transactions involving cryptocurrencies, and the availability of certain exemptions from VAT.

There can be no assurance that the IRS or other foreign tax authority will not alter its existing position with respect to cryptocurrencies in the future or that a court would uphold the treatment set forth in the IRS Notice and the Ruling & FAQs, or in the UK published guidance. It is also unclear what additional guidance may be issued in the future on the treatment of existing cryptocurrency transactions and future cryptocurrency innovations for purposes of U.S. federal income tax or other foreign tax regulations. Any such alteration of existing IRS and foreign tax authority positions or additional guidance regarding cryptocurrency products and transactions could result in adverse tax consequences for our business and could have an adverse effect on the value of cryptocurrencies and the broader cryptocurrencies markets. Future technological and operational developments that may arise with respect to digital currencies may increase the uncertainty with respect to the treatment of digital currencies for U.S. federal income and foreign tax purposes. The uncertainty regarding tax treatment of cryptocurrency transactions could impact our business, both in the U.S. and abroad. It is likely that new rules for reporting crypto assets under the “common reporting standard” will be implemented on our international operations, creating new obligations and a need to invest in new onboarding and reporting infrastructure.

***The application of the Commodity Exchange Act to our business is unclear and may be subject to change and therefore difficult to predict; to the extent we become subject to regulation by the CFTC in connection with our business activities, we may incur additional compliance costs, which may be significant.***

The Commodity Exchange Act, as amended (the “CEA”), does not currently impose any direct obligations on us related to the mining or exchange of digital assets. However, the Commodity Futures Trading Commission (“CFTC”), the federal agency that administers the CEA, generally regards Bitcoin and other digital assets as commodities. This position has been supported by decisions of federal courts.

The CEA imposes requirements relative to certain transactions involving Bitcoin and other digital assets that constitute a contract of sale of a commodity for future delivery (or an option on such a contract), a swap, or a transaction involving margin, financing or leverage that does not result in actual delivery of the commodity within 28 days to persons not defined as “eligible contract participants” or “eligible commercial entities” under the CEA (e.g., retail persons). Changes in the CEA or the regulations promulgated by the CFTC thereunder, as well as interpretations thereof and official statements by the CFTC may impact the classification of digital assets and subject them to additional regulatory oversight by the CFTC. Although the CFTC to date has not enacted regulations governing non-derivative or non-financed, margined or leveraged transactions in Bitcoin and other digital assets, it has authority to commence enforcement actions against persons who violate certain prohibitions under the CEA related to transactions in any contract of sale of any commodity, including digital assets, in interstate commerce (e.g., manipulation and engaging in certain deceptive practices).

While no provision of the CEA, or CFTC rules, orders or rulings (except as noted herein) appears to be currently applicable to our business, this is subject to change. We cannot be certain as to how future regulatory developments will impact the treatment of digital assets under the law. Any requirements imposed by the CFTC related to our mining activities or our transactions in Bitcoin and digital assets would cause us to incur additional extraordinary, non-recurring expenses, thereby materially and adversely impacting an investment in our ADSs.

Moreover, if our mining activities or transactions in Bitcoin and other digital assets were deemed by the CFTC to constitute a collective investment in derivatives for our shareholders, we may be required to register as a commodity pool operator with the CFTC through the National Futures Association. Such additional registrations may result in extraordinary, non-recurring expenses, thereby materially and adversely impacting an investment in our ADSs. If we determine not to comply with such additional regulatory and registration requirements, we may seek to cease certain of our operations. Any such action may adversely affect an investment in us.

***Regulatory actions in one or more countries could severely affect the right to acquire, own, hold, sell or use certain cryptocurrencies or to exchange them for fiat currency.***

One or more countries, such as China or Russia, may take regulatory actions in the future that could severely restrict the right to acquire, own, hold, sell or use cryptocurrencies or to exchange them for fiat currency. In some nations, it is illegal to accept payment in Bitcoin and other cryptocurrencies for consumer transactions and banking institutions are barred from accepting deposits of cryptocurrencies. Such restrictions may adversely affect us as the large-scale use of cryptocurrencies as a means of exchange is presently confined to certain regions.

Furthermore, in the future, foreign governments may decide to subsidize or in some other way support certain large-scale cryptocurrency mining projects, thus adding hashrate to the overall network. Such circumstances could have a material adverse effect on the amount of Bitcoin we may be able to mine, the value of Bitcoin and any other cryptocurrencies we may potentially acquire or hold in the future and, consequently, our business, prospects, financial condition and operating results.

***Our compliance and risk management methods might not be effective and may result in outcomes that could adversely affect our reputation, operating results and financial condition.***

Our ability to comply with applicable complex and evolving laws, regulations, and rules is largely dependent on the establishment and maintenance of our compliance, audit, and reporting systems, as well as our ability to attract and retain qualified compliance and other risk management personnel. We cannot assure you that our policies and procedures will be effective or that we will be successful in monitoring or evaluating the risks to which we are or may be exposed in all market environments or against all types of risks, including unidentified or unanticipated risks. Our risk management policies and procedures rely on a combination of technical and human controls and supervision that are subject to error and failure. Some of our methods for managing risk are discretionary by nature and are based on internally developed controls and observed historical market behavior, and also involve reliance on standard industry practices. These methods may not adequately prevent losses, particularly as they relate to extreme market movements, which may be significantly greater than historical fluctuations in the market. Our risk management policies and procedures also may not adequately prevent losses due to technical errors if our testing and quality control practices are not effective in preventing failures. In addition, we may elect to adjust our risk management policies and procedures to allow for an increase in risk tolerance, which could expose us to the risk of greater losses.

***We cannot be certain as to how future regulatory developments will impact our business and any such additional regulatory requirements, or changes in how existing requirements are interpreted and applied, may cause us to cease all or certain of our operations or change our business model.***

We cannot be certain as to how future regulatory developments will impact the treatment of cryptocurrencies, including Bitcoin, and other digital assets under the law. For example, if regulatory changes or interpretations require the regulation of Bitcoin or other digital assets under certain laws and regulatory regimes in the United States such as those administered by the SEC, the CFTC, the IRS, Department of Treasury or other agencies or authorities or similar laws and regulations of other jurisdictions, including if our digital asset activities cause us to be deemed a “money transmitter,” “money services business” or equivalent designation under U.S. federal law, the law of any U.S. state, or foreign jurisdiction in which the Company operates, we may be required to register, seek licensure and comply with such regulations, including at a federal, state or local level, and implement an anti-money laundering program, reporting and recordkeeping regimes, consumer protective safeguards, and other operational requirements. To the extent that we decide to continue operations, the required registrations and regulatory compliance steps may result in extraordinary, non-recurring expenses or burdens to us, as well as on-going recurring compliance costs, possibly affecting an investment in the ADSs or our net income in a material and adverse manner. We may also decide to cease some or all operations. Any termination or disruption of our operations in response to the changed regulatory circumstances may be at a time that is disadvantageous to investors. Furthermore, we and our service providers may not be capable of complying with certain federal or state regulatory obligations applicable to money services businesses or state money transmitters. If we are deemed to be subject to and determine not to comply with such additional regulatory and registration requirements, we may act to dissolve and liquidate the Company. Any such action may adversely affect an investment in us.

If we fail to comply with such additional regulatory, licensure and registration compliance requirements, we may seek to cease all or certain of our operations or be subjected to fines, penalties and other governmental action. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our business model at all, which could have a material adverse effect on our business, prospects or operations and potentially the value of any cryptocurrencies or digital assets we plan to hold or expect to acquire for our own account.

## **Risks Related to Intellectual Property**

***If we are unable to protect the confidentiality of our trade secrets, our business and competitive position could be harmed.***

Our ability to conduct our business in a profitable manner relies on our proprietary mining methods, which we protect as a trade secret. We rely upon trade secret laws, physical and technological security measures and contractual commitments to protect our trade secrets, including entering into non-disclosure agreements with employees, consultants and third parties with access to our trade secrets. However, such measures may not provide adequate protection and the value of our trade secrets could be lost through misappropriation or breach of our confidentiality agreements. For example, an employee with authorized access may misappropriate our trade secrets and provide them to a competitor, and the recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully, because enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time consuming, and the outcome is unpredictable. Thus, if any of our trade secrets were to be disclosed or misappropriated our competitive position could be harmed. In addition to the risk of misappropriation and unauthorized disclosure, our competitors may develop similar or better methods independently in a manner that could prevent legal recourse by us. Thus, there can be no assurance that our trade secrets will be sufficient to protect against competitors operating their business in a manner that is substantially similar to ours.

***Third parties may claim that we are infringing upon their intellectual property rights, which may prevent or inhibit our operations and cause us to suffer significant litigation expense even if these claims have no merit.***

Our commercial success depends on our ability to operate without undue cost and distraction of claims that we are infringing the intellectual property rights of third parties. However, third parties, may own patents (or have pending patent applications that later result in patents) that our operations may infringe. In addition, third parties may purchase patents for the purpose of asserting claims of infringement and attempting to extract license fees via settlements from us. There also could be patents that we believe we do not infringe, but that we may ultimately be found to infringe. Further, because patents can take many years to issue, there may be currently pending applications of which we are unaware that may later result in issued patents that our operations infringe.

Finally, third parties could accuse us of misappropriating their trade secrets. Any claims of patent infringement or trade secret misappropriation, even claims without merit, could be costly and time-consuming to defend and could require us to divert resources away from operations. In addition, if any third party has a meritorious or successful claim that we are infringing, we may be forced to redesign our operations or secure a license from such third parties, which may be costly or impractical. We also may be subject to significant damages or injunctions that may cause a material adverse effect to our business and operations, if we cannot license or develop an alternative for any infringing aspect of our business, and may result in a material loss in revenue, which could adversely affect the trading price of our ADSs and harm our investors.

## **Risks Related to Our Employees and Other Service Providers**

***The loss of one or more of our key management personnel, or our failure to attract and retain other highly qualified personnel in the future, could adversely impact our business, operating results and financial condition.***

We operate in a relatively new industry that is not widely understood and requires highly skilled and technical personnel. We believe that our future success is highly dependent on the talents and contributions of a small number of key management personnel. We have experienced changes in the positions of Chief Executive Officer, Chief Financial Officer, and certain executive and non-executive directors in connection with a broader transition of our business. Our future success depends on our ability to attract, develop, motivate, and retain highly qualified and skilled employees and on the performance of our new senior executive team in working together to operate our business. Furthermore, if we fail to execute an effective contingency or succession plan with the loss of any member of management, the loss of such management personnel may significantly disrupt our business. Due to the nascent nature of the blockchain ecosystem, the pool of qualified talent is extremely limited, particularly with respect to executive talent, engineering, risk management, and financial regulatory expertise. We face intense competition for qualified individuals from numerous software and other technology companies. To attract and retain key personnel, we incur significant costs, including salaries and benefits and equity incentives. These costs may be further exacerbated by inflation. Even so, these measures may not be enough to attract and retain the personnel we require to operate our business effectively. The loss of even a few qualified employees, or an inability to attract, retain and motivate additional highly skilled employees required for the planned expansion of our business could adversely impact our operating results and impair our ability to grow.

***Our culture emphasizes innovation, and if we cannot maintain this culture as we grow, our business and operating results could be adversely impacted.***

We believe that our entrepreneurial and innovative corporate culture has been a key contributor to our success. We encourage and empower our employees to develop and launch new and innovative products and services, which we believe is essential to attracting high quality talent, partners, and developers, as well as serving the best, long-term interests of our company. If we cannot maintain this culture as we grow, we could lose the innovation, creativity and teamwork that has been integral to our business, in which case our products and services may suffer and our business, operating results and financial condition could be adversely impacted.

***Our officers, directors, employees, and large shareholders may encounter potential conflicts of interests with respect to their positions or interests in certain digital assets, entities, and other initiatives, which could adversely affect our business and reputation.***

We frequently engage in a wide variety of transactions and maintain relationships with a significant number of digital asset projects, their developers, members of their ecosystem, and investors. These transactions and relationships could create potential conflicts of interests in management decisions that we make. For instance, certain of our officers, directors, and employees are active investors in digital asset projects and technologies themselves and may make investment decisions that favor projects that they have personally invested in.

In addition, certain of our officers, directors and employees may become aware of business opportunities that may be appropriate for presentation to us. In such instances they may decide to present these business opportunities to other entities with which they are or may be affiliated, in addition to, or instead of, presenting them to us. Due to these existing or future affiliations, these officers, directors and employees may have fiduciary obligations to present potential acquisition opportunities to those entities prior to presenting them to us which could cause additional conflicts of interest.

Similarly, certain of our directors, officers, employees, and large shareholders may hold cryptocurrencies that we are considering mining and may be more supportive of such mining notwithstanding legal, regulatory, and other issues associated with such cryptocurrencies. While we have instituted policies and procedures to limit and mitigate such risks, there is no assurance that such policies and procedures will be effective, or that we will be able to manage such conflicts of interests adequately. If we fail to manage these conflicts of interests, our business may be harmed and the brand, reputation and credibility of our company may be adversely affected.

## **General Risk Factors**

***We may be subject to foreign investment and exchange risks.***

Our functional and presentational currency is USD. As a result, our consolidated financial statements will carry our assets in USD. Any business we carry out may require the conduct of operations or make sales in currencies other than USD. Due to the foregoing, changes in exchange rates between USD and other currencies could lead to significant changes in our reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although we may seek to manage our foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when we wish to use them or that they will be sufficient to cover the risk. If there was a material adverse movement in such currency, it may have adverse consequences on our financial condition.

## Risks Related to Our ADSs and Ordinary Shares

***The Company has failed to satisfy certain continued listing requirements of Nasdaq in the past and could fail to satisfy those requirements again in the future, which could negatively affect the market price of its ADSs, its liquidity and its ability to raise capital.***

The Company previously did not satisfy certain continued listing requirements of the Nasdaq Global Select Market, including the minimum bid price requirement under Nasdaq Listing Rule 5450(a)(1). On July 18, 2025, the Company received a notice from the Listing Qualifications Department of The Nasdaq Stock Market LLC indicating that the Company had not regained compliance with the minimum bid price requirement by the applicable deadline of July 15, 2025 and that Nasdaq had determined to delist the Company's ADSs if compliance was not demonstrated.

The Company requested a hearing before a Nasdaq Hearings Panel, which stayed any suspension or delisting action pending the conclusion of the hearing process. A hearing was held on August 26, 2025, and on September 18, 2025, the Company was notified that the Panel had granted the request for continued listing, subject to the condition that the Company demonstrate compliance with all applicable listing rules on or before January 14, 2026.

On January 5, 2026, the Company was formally notified by Nasdaq that it had regained compliance with the minimum bid price requirement and satisfied all other applicable continued listing criteria, and that the previously disclosed listing matter was considered closed. Effective February 12, 2026, the Company transferred the listing of its ADSs to the Nasdaq Capital Market.

Notwithstanding the foregoing, there can be no assurance that the Company will be able to maintain compliance with Nasdaq's continued listing standards in the future. If the Company were to fail to maintain compliance with one or more of Nasdaq's continued listing requirements and were unable to regain compliance within applicable cure periods, its ADSs could become subject to delisting from Nasdaq. Delisting of the Company's ADSs could materially and adversely affect the liquidity and market price of the ADSs, reduce the number of investors willing or able to hold or acquire the ADSs, negatively impact the Company's ability to raise capital in the future, and limit the Company's ability to use certain registration statements under U.S. securities laws to offer and sell securities in the public markets.

***Our controlling shareholder owns a substantial majority of our ordinary shares and has significant control over matters requiring shareholder approval, which may limit the ability of other shareholders to influence corporate matters and could adversely affect the market price of our ADSs.***

Growler currently owns approximately **88.59%** of our outstanding ordinary shares. As a result, Growler has the ability to exercise substantial control over matters requiring shareholder approval, including the election and removal of directors, approval of significant corporate transactions, amendments to our articles of association, issuances of equity securities, and other matters affecting our corporate governance and strategic direction.

This concentration of ownership may have the effect of delaying, deferring or preventing a change of control or other business combination that other shareholders may view as beneficial, and may limit the ability of holders of our ADSs and ordinary shares to influence the outcome of shareholder votes. In addition, Growler's interests may not always align with the interests of other shareholders, including with respect to decisions regarding capital raising transactions, related-party arrangements, dividend policy, or the timing and terms of strategic transactions.

The market price of our ADSs may be adversely affected as a result of Growler's controlling ownership position, including due to reduced trading liquidity, perceived limitations on corporate governance influence by minority shareholders, or concerns regarding potential conflicts of interest. There can be no assurance that Growler will continue to support our business or provide financing or other assistance in the future, and Growler is under no obligation to do so.

***The market price of our ADSs may be highly volatile and subject to wide fluctuations, many of which are beyond our control.***

The market price of our ADSs has been and is likely to continue to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations similar to ours as well as the fluctuation in the market price of Bitcoin and other cryptocurrencies. In addition, technology stocks have historically experienced high levels of volatility. The market price for our ADSs may be influenced by many factors, including:

- actual or anticipated fluctuations in our financial and operating results;
- the trading price of cryptocurrencies, in particular Bitcoin;
- changes in the market valuations of our competitors;
- rumors, publicity, and market speculation involving us, our management, our competitors, or our industry;
- announcements of new investments, acquisitions, strategic partnerships, joint ventures, capital commitments, integrations or capabilities, technologies, or innovations by us or our competitors;
- changes in financial estimates or recommendations by securities analysts;
- changes in laws or regulations applicable to us or our industry;
- the perception of our industry by the public, legislatures, regulators and the investment community;
- additions or departures of key personnel;
- potential litigation or regulatory investigations;
- general economic, industry, political and market conditions and overall market volatility in the United States or the United Kingdom, including resulting from global health emergencies, war, incidents of terrorism, or responses to these events;
- sales of our ADSs or ordinary shares by us, our directors and officers, holders of our ADSs or our shareholders in the future or the anticipation that such sales may occur in the future; and
- the trading volume of our ADSs on the Nasdaq.

Broad market and industry factors may negatively affect the market price of our ADSs, regardless of our actual operating performance. Further, a decline in the financial markets and related factors beyond our control may cause the price of our ADSs to decline rapidly and unexpectedly.

***Investing in our ADSs could be subject to greater volatility than investing directly in Bitcoin or other digital assets.***

The price of our securities and our competitors securities are generally correlated to the price of Bitcoin and other digital assets. However, our business is subject to capital costs, which also affect the price of our securities, such as hardware expenses, power expenses and other factors that are not directly reflected in the prices of digital assets we mine. For example, when the price of Bitcoin rises, mining machines may become scarce and more costly to acquire, making our existing operations more attractive. However, when the price of Bitcoin declines, our mining revenues may not exceed our operating costs. As a result, the price of our ADSs could be subject to greater volatility than direct investments in digital assets and an investment in our ADSs may result in losses.

***The volatility in the trading price of our ordinary shares and the large proportion held by retail investors may make our ordinary shares and ADSs a target of online campaigns to artificially influence their trading price, which may trigger markets or trading platforms to impose restrictions on the trading of our securities; as a result, investors in our ordinary shares and ADSs may incur substantial losses.***

The trading price of our ordinary shares has experienced, and may continue to experience, significant volatility and trading volume. Further, a significant majority of our issued and outstanding ordinary shares are held by individual, non-institutional investors (i.e. “retail investors”). We are aware of reports surrounding social media sites and online forums influencing the trading price of certain publicly traded securities. Some of these reports indicated that the organizers of these campaigns selected specific securities as a result of, among other factors, significant volatility in their trading price and volume, as well as a perception that their trading prices were undervalued or subject to significant short positions. We are also aware of reports that a number of significant trading platforms catering to retail investors allegedly halted or otherwise restricted trading of a number of securities on their platforms following these reports.

As a significant proportion of our outstanding ordinary shares are held by retail investors who may make use of these trading platforms, if these trading platforms take similar action with respect to shares of our ordinary shares or ADSs, those of our investors who make use of these platforms may be unable to transact in our securities in response to changes in the trading price of our ordinary shares or ADSs. As a result, we cannot guarantee that we have not become subject to such a campaign or that we will not become subject to such a campaign in the future. If we do become subject to such a campaign, we can give no assurances that we will be able to respond to the campaign and the trading price of our ordinary shares and ADSs may, therefore, not be tied to our business or industry. As a result, the trading price of our ordinary shares and ADSs may suffer and investors in our securities may lose part or all of their investment.

***If securities or industry analysts cease to publish research or reports about our business, or if they adversely change their recommendations regarding the ADSs, our ADS price and trading volume could decline.***

The trading market for our ADSs will likely be influenced by research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more analysts who cover us downgrade our ADSs, or adversely change their recommendations regarding the ADSs, the market price for our ADSs would likely decline. In addition, if no or only a few analysts commence research coverage of us, or if one or more of the analysts who cover us cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume to decline.

***Holders of our ADSs are not treated as holders of our ordinary shares.***

Holders of ADSs are not treated as holders of our ordinary shares, unless they withdraw the ordinary shares underlying their ADSs in accordance with the deposit agreement and applicable laws and regulations. The depository is the holder of the ordinary shares underlying our ADSs. Holders of ADSs therefore do not have any rights as holders of our ordinary shares, other than the rights that they have pursuant to the deposit agreement.

***Holders of our ADSs may be subject to limitations on the transfer of their ADSs and the withdrawal of the underlying ordinary shares.***

ADSs are transferable on the books of the depository. However, the depository may close its transfer books at any time or from time to time when it deems it necessary or advisable by it in good faith in connection with the performance of its duties or at our reasonable written request, subject in all cases to compliance with applicable U.S. securities laws. In addition, the depository may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository think it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason in accordance with the terms of the deposit agreement, subject to the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of your ADSs and withdrawal of the underlying ordinary shares may arise because the depository has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares or similar corporate actions. In addition, ADS holders may not be able to cancel their ADSs and withdraw the underlying ordinary shares when they owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities. As a result, you may not be able to transfer your ADSs or withdraw the underlying ordinary shares at certain times, which may have an adverse effect on the value of your ADSs.

***The depository for our ADSs is entitled to charge holders fees for various services, including annual service fees.***

The depository for our ADSs is entitled to charge holders fees for various services, including for the issuance of ADSs upon deposit of ordinary shares, cancellation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free share distributions, distributions of securities other than ADSs and annual service fees. In the case of ADSs issued by the depository into The Depository Trust Company, or DTC, the fees will be charged by the DTC participant to the account of the applicable beneficial owner in accordance with the procedures and practices of the DTC participant as in effect at the time. The depository for our ADSs will not generally be responsible for any United Kingdom stamp duty or stamp duty reserve tax arising upon the issuance or transfer of ADSs.

***We are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, or to terminate the deposit agreement, without the prior consent of the ADS holders.***

We are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. We and the depository may agree to amend the deposit agreement in any way we decide is necessary or advantageous to us or to the depository. Amendments may reflect, among other things, operational changes in the ADS program, legal developments affecting ADSs or changes in the terms of our business relationship with the depository. In the event that the terms of an amendment imposes or increases any fees or charges on a per ADS basis (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, SWIFT, cable, telex or facsimile transmission costs, delivery costs or other such expenses) or otherwise prejudices any substantial existing right of the ADS holders or beneficial owners of the ADSs, ADS holders will only receive 30 days' advance notice of the amendment, and no prior consent of the ADS holders is required under the deposit agreement. Notwithstanding the foregoing, any amendments or supplements which are reasonably necessary (as agreed by us and the depository) in order for the ADSs to be registered on Form F-6 under the Securities Act or the ADSs or shares to be traded solely in electronic book-entry form and do not in either such case impose or increase any fees or charges to be borne by ADS holders, such amendments shall be deemed not to prejudice any substantial rights of ADR holders or beneficial owners of ADSs.

We may decide to direct the depository to terminate the ADS facility at any time for any reason. For example, termination of the ADS facility may occur when we become the subject of a takeover or a going-private transaction. ADS holders will receive at least 30 days' prior notice of the ADS facility terminating, but no prior consent is required from them.

***ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.***

The deposit agreement governing our ADSs provides that owners and holders of ADSs irrevocably waive the right to a trial by jury in any legal proceeding arising out of or relating to the deposit agreement or the ADSs, including claims under U.S. federal securities laws, against us or the depository to the fullest extent permitted by applicable law. If this jury trial waiver provision is prohibited by applicable law, an action could nevertheless proceed under the terms of the deposit agreement with a jury trial. Although we are not aware of a specific federal decision that addresses the enforceability of a jury trial waiver in the context of U.S. federal securities laws, it is our understanding that jury trial waivers are generally enforceable. Moreover, insofar as the deposit agreement is governed by the laws of the State of New York, New York laws similarly recognize the validity of jury trial waivers in appropriate circumstances. In determining whether to enforce a jury trial waiver provision, New York courts and federal courts will consider whether the visibility of the jury trial waiver provision within the agreement is sufficiently prominent such that a party has knowingly waived any right to trial by jury. We believe that this is the case with respect to the deposit agreement and the ADSs.

In addition, New York courts will not enforce a jury trial waiver provision in order to bar a viable setoff or counterclaim of fraud or one which is based upon a creditor's negligence in failing to liquidate collateral upon a guarantor's demand, or in the case of an intentional tort claim (as opposed to a contract dispute). No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depository of compliance with any provision of U.S. federal securities laws and the rules and regulations promulgated thereunder.

If any owner or holder of our ADSs brings a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under U.S. federal securities laws, such owner or holder may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us or the depositary. If a lawsuit is brought against us or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different results than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

***ADSs holders do not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise your right to vote.***

Holders of ADSs do not have the same rights as our shareholders who hold our ordinary shares directly and may only exercise their voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Holders of the ADSs will appoint the depositary or its nominee as their representative to exercise the voting rights attaching to the ordinary shares represented by the ADSs.

When a general meeting is convened, if you hold ADSs, you may not receive sufficient notice of a shareholders' meeting to permit you to withdraw the ordinary shares underlying your ADSs to allow you to vote with respect to any specific matter. We will use commercially reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you that you will receive voting materials in time to instruct the depositary to vote, and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

The depositary will not be liable for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if your ADSs are not voted as you request. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders' meeting.

***You may not receive distributions on our ordinary shares represented by the ADSs or any value for them if it is illegal or impractical to make them available to holders of ADSs.***

The depositary for the ADSs has agreed to pay to you the cash dividends or other distributions it or the Custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of our ordinary shares your ADSs represent. However, in accordance with the limitations set forth in the deposit agreement, it may be unlawful or impractical to make a distribution available to holders of ADSs. We have no obligation to register under U.S. securities laws any offering of ADSs, ordinary shares or other securities received through such distributions. We also have no obligation to take any other action to permit distribution on the ADSs, ordinary shares, rights or anything else to holders of the ADSs. This means that you may not receive the distributions we make on our ordinary shares or any value from them if it is unlawful or impractical to make them available to you. These restrictions may have an adverse effect on the value of your ADSs.

***Because we do not anticipate paying any cash dividends on our ADSs in the foreseeable future, capital appreciation, if any, will be your sole source of gains and you may never receive a return on your investment.***

Under current English law, a company's accumulated realized profits must exceed its accumulated realized losses (on a non-consolidated basis) before dividends can be declared and paid. Therefore, we must have distributable profits before declaring and paying a dividend. In addition, as a public limited company incorporated in England and Wales, we will only be able to make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and undistributable reserves and if, and to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate.

We have not paid dividends in the past on our ordinary shares. We intend to retain earnings, if any, for use in our business and do not anticipate paying any cash dividends in the foreseeable future. As a result, capital appreciation, if any, on our ADSs will be your sole source of gains for the foreseeable future, and you will suffer a loss on your investment if you are unable to sell your ADSs at or above the initial public offering price.

## **Risks Related to Investing in a Foreign Private Issuer or an English Company**

***As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC than U.S. public companies.***

As a foreign private issuer, we are exempt from a number of requirements under U.S. securities law and, consequently, we are not subject to all of the disclosure requirements applicable to public companies organized in the United States. In particular, we are exempt from certain rules under the Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act. In addition, our officers and directors are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, we are not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as public companies organized in the United States. Accordingly, there may be less publicly available information concerning our company than there is for public companies organized in the United States.

As a foreign private issuer, we file an annual report on Form 20-F within four months of the close of each fiscal year ended December 31 and reports on Form 6-K relating to certain material events promptly after we publicly announce these events. However, because of the above exemptions for foreign private issuers, our shareholders will not be afforded the same protections or information generally available to investors holding shares in public companies organized in the United States.

***As a foreign private issuer and as permitted by the listing requirements of Nasdaq, we may follow UK corporate governance rules instead of the corporate governance requirements of Nasdaq.***

As a foreign private issuer, we may follow our home country corporate governance rules instead of the corporate governance requirements of Nasdaq. For example, we are exempt from Nasdaq regulations that require a listed U.S. company to:

- have a majority of the board of directors consist of independent directors;
- require non-management directors to meet on a regular basis without management present;
- promptly disclose any waivers of the code for directors or executive officers that should address certain specified items;
- have an independent nominating committee;
- solicit proxies and provide proxy statements for all shareholder meetings; and
- seek shareholder approval for the implementation of certain equity compensation plans and issuances of ordinary shares.

For an overview of our corporate governance principles, including those which comply with certain of the requirements above, see Item 10. B. “Articles of Association.”

In accordance with our Nasdaq listing, our Audit Committee is required to comply with the provisions of Section 301 of the Sarbanes-Oxley Act of 2002 and Rule 10A-3 of the Exchange Act, both of which also are applicable to Nasdaq-listed U.S. companies.

To the extent we determine to follow UK corporate governance practices instead of Nasdaq governance requirements, you may not have the same protections afforded to shareholders of companies that are subject to these Nasdaq requirements.

***We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur significant legal, accounting and other expenses.***

As of the date of this annual report, a single shareholder, Growler Mining Tuscaloosa, LLC (“**Growler**”), beneficially owns approximately 88.59% of our outstanding ordinary shares. Depending on the residency of Growler and its beneficial owners for purposes of the Exchange Act, this concentration of ownership could cause a majority of our outstanding ordinary shares to be considered held by U.S. residents at the next applicable foreign private issuer determination date. If this occurs, and if we do not otherwise satisfy the alternative foreign private issuer tests relating to the location of our executive officers and directors, assets, and principal place of administration, we would no longer qualify as a foreign private issuer as of the applicable determination date, which is expected to be June 30, 2026.

Whether we will lose our foreign private issuer status will depend on the facts and circumstances existing as of the applicable determination date, including the residency of Growler and its beneficial owners and our satisfaction of the alternative foreign private issuer tests.

As a foreign private issuer, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to public companies organized in the United States. If we were to lose our status as a foreign private issuer, we would be required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. In such event, we would generally be required to begin complying with those requirements beginning with the fiscal year following the applicable foreign private issuer determination date.

If we lose our status as a foreign private issuer, we would be required to comply with additional disclosure, reporting and corporate governance requirements under U.S. securities laws and Nasdaq listing rules, including requirements that are more detailed and extensive than those currently applicable to us as a foreign private issuer. We would also be subject to additional requirements with respect to executive compensation disclosure, proxy solicitation rules, and insider reporting and short-swing profit recovery provisions under Section 16 of the Exchange Act.

A loss of foreign private issuer status would significantly increase our legal, accounting and compliance costs and would require us to devote additional management time and resources to compliance-related activities. We may be required to make changes to our internal controls over financial reporting and disclosure controls and procedures, and we may be required to prepare our financial statements in accordance with U.S. generally accepted accounting principles. These requirements could increase our operating expenses, divert management's attention from the operation of our business and make it more difficult and expensive to obtain director and officer liability insurance or to attract and retain qualified directors and executive officers.

If we lose our foreign private issuer status and are unable to comply in a timely manner with the reporting and disclosure requirements applicable to U.S. domestic issuers, we would not be in compliance with applicable SEC rules or Nasdaq listing requirements, which could cause investors to lose confidence in our public disclosures and could have a material adverse effect on the trading price and liquidity of our ADSs.

***We have not yet determined whether our existing internal controls over financial reporting systems are compliant with Section 404 of the Sarbanes-Oxley Act, and we cannot provide any assurance that there are no material weaknesses or significant deficiencies in our existing internal controls.***

As an English public company historically traded on the London Stock Exchange (“**LSE**”), we were not required to evaluate our internal control over financial reporting in a manner that meets the standards applicable to publicly traded companies required by Section 404(a) of the Sarbanes-Oxley Act.

As a public company in the United States, we must maintain effective internal control over financial reporting in order to report in an accurate and timely manner the results of our operations and financial condition. In addition, the Sarbanes-Oxley Act will require, among other things, that we assess the effectiveness of our internal control over financial reporting at the end of each fiscal year. This process requires the investment of substantial time and resources, including by our Chief Financial Officer and other members of our management. The process of designing and implementing effective internal controls over financial reporting is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. If we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our results of operations. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Testing and maintaining internal controls may divert our management's attention from other matters that are important to our business. In addition, it is currently anticipated that our independent registered public accounting firm will be required to issue an audit report on the effectiveness of our internal control over financial reporting in the fifth annual report following the completion of our U.S. initial public offering or the fiscal year following the date upon which we are no longer an emerging growth company, whichever is the sooner.

In connection with the implementation of the necessary procedures and practices related to our internal control over financial reporting, we may identify deficiencies that we may not be able to remediate in time to meet the deadline imposed by the Sarbanes-Oxley Act for compliance with the requirements of Section 404(a). In addition, we may encounter problems or delays in completing the remediation of any deficiencies identified by our independent registered public accounting firm in connection with the issuance of their audit report. The determination and any remedial actions required could result in us incurring additional costs that we did not anticipate.

We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404(a) or our independent registered public accounting firm may not issue an unqualified opinion. Irrespective of compliance with Section 404(a), any failure of our internal controls could have a material adverse effect on our stated results of operations and harm our reputation. As a result, we may experience higher than anticipated operating expenses, as well as higher independent auditor fees during and after the implementation of these changes. If either we are unable to conclude that we have effective internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified opinion, investors could lose confidence in our reported financial information, which could have a material adverse effect on the trading price of our ADSs.

***Claims of U.S. civil liabilities may not be enforceable against us.***

We are incorporated under English law and have our registered office in England. Certain members of our board of directors and senior management are non-residents of the United States, and a portion of our assets and the assets of such persons are located outside the United States. As a result, it may not be possible to serve process on such persons or us in the United States or to enforce judgments obtained in U.S. courts against them or us based on civil liability provisions of the securities laws of the United States.

The United States and the United Kingdom do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment given by a court in the United States, whether or not predicated solely upon U.S. securities laws, would not automatically be recognized or enforceable in the United Kingdom. Any such judgment may, subject to certain conditions, be enforceable in England as a matter of English common law, but such enforcement is subject to judicial discretion and uncertainty. In addition, uncertainty exists as to whether UK courts would entertain original actions brought in the United Kingdom against us or our directors or senior management predicated upon the securities laws of the United States or any state in the United States. Any final and conclusive monetary judgment for a definite sum obtained against us in U.S. courts would be treated by the courts of the United Kingdom as a cause of action in itself and sued upon as a debt at common law so that no retrial of the issues would be necessary; provided that certain requirements are met. Whether these requirements are met in respect of a judgment based upon the civil liability provisions of the U.S. securities laws, including whether the award of monetary damages under such laws would constitute a penalty, is an issue for the court making such decision. If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the English court discretion to prescribe the manner of enforcement.

As a result, U.S. investors may not be able to enforce against us or our senior management, board of directors or certain experts named herein who are residents of the United Kingdom or countries other than the United States any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

***Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings.***

Under English law, shareholders usually have preemptive rights to subscribe on a pro rata basis in the issuance of new shares for cash. The exercise of preemptive rights by certain shareholders not resident in the United Kingdom may be restricted by applicable law or practice in the United Kingdom and overseas jurisdictions. We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Also, under the deposit agreement, the depository bank will not make rights available to you unless either both the rights and any related securities are registered under the Securities Act, or the distribution of them to ADS holders is exempted from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. If the depository does not distribute the rights, it may, under the deposit agreement, either sell them, if possible, or allow them to lapse. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings. We are also permitted under English law to disapply preemptive rights (subject to the approval of our shareholders by special resolution or the inclusion in our articles of association of a power to disapply such rights) and thereby exclude certain shareholders, such as overseas shareholders, from participating in a rights offering (usually to avoid a breach of local securities laws).

***The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation.***

We are incorporated under English law. The rights of holders of ordinary shares and, therefore, certain of the rights of holders of ADSs, are governed by English law, including the provisions of the UK Companies Act 2006 (the “**Companies Act**”), and by our articles of association. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations. See Item 10. B. “Differences in Corporate Law” in this report for a description of the principal differences between the provisions of the Companies Act applicable to us and, for example, the General Corporation Law of the State of Delaware relating to shareholders’ rights and protections.

The principal differences include the following:

- under our articles of association, any resolution put to the vote of a general meeting must be decided exclusively on a poll. Under English law, it would be possible for our articles of association to be amended such that each shareholder present at a general meeting has only one vote unless demand is made for a vote on a poll, in which case each holder gets one vote per share owned. Under U.S. law, each shareholder typically is entitled to one vote per share at all meetings;
- under English law, subject to certain exceptions and disapplications, each shareholder generally has preemptive rights to subscribe on a proportionate basis to any issuance of ordinary shares or rights to subscribe for, or to convert securities into, ordinary shares for cash. Under U.S. law, shareholders generally do not have preemptive rights unless specifically granted in the certificate of incorporation or otherwise;
- under English law and our articles of association, certain matters require the approval of 75% of the shareholders who vote (in person or by proxy) on the relevant resolution (or on a poll of shareholders representing 75% of the ordinary shares voting (in person or by proxy)), including amendments to the articles of association. This may make it more difficult for us to complete corporate transactions deemed advisable by our board of directors. Under U.S. law, generally only majority shareholder approval is required to amend the certificate of incorporation or to approve other significant transactions;
- in the United Kingdom, takeovers may be structured as takeover offers or as schemes of arrangement. Under English law, a bidder seeking to acquire us by means of a takeover offer would need to make an offer for all of our outstanding ordinary shares (including ordinary shares represented by ADSs). If acceptances are not received for 90% or more of the ordinary shares (including ordinary shares represented by ADSs) under the offer, under English law, the bidder cannot complete a “squeeze out” to obtain 100% control of us. Accordingly, acceptances of 90% of our outstanding ordinary shares (including ordinary shares represented by ADSs) will likely be a condition in any takeover offer to acquire us, not 50% as is more common in tender offers for corporations organized under Delaware law. By contrast, a scheme of arrangement, the successful completion of which would result in a bidder obtaining 100% control of us, requires the approval of a majority of shareholders voting at the meeting and representing 75% of the ordinary shares voting for approval;

- under English law and our articles of association, shareholders and other persons, appearing to be interested in our shares may be required to disclose information regarding their interests in our shares upon our request, and the failure to provide the required information could result in the loss or restriction of rights attaching to the shares, including prohibitions on certain transfers of the shares, withholding of dividends and loss of voting rights. Comparable provisions generally do not exist under U.S. law; and
- the quorum requirement for a shareholders' meeting is a minimum of two shareholders entitled to vote at the meeting and present in person or by proxy or, in the case of a shareholder which is a corporation, represented by a duly authorized representative. Under U.S. law, a majority of the shares eligible to vote must generally be present (in person or by proxy) at a shareholders' meeting in order to constitute a quorum. The minimum number of shares required for a quorum can be reduced pursuant to a provision in a company's certificate of incorporation or bylaws, but typically not below one-third of the shares entitled to vote at the meeting.

***As an English public limited company, certain capital structure decisions will require shareholder approval, which may limit our flexibility to manage our capital structure.***

As an English public limited company, certain capital structure decisions will require shareholder approval, which may limit our flexibility to manage our capital structure, particularly where such approvals are subject to the discretion of a controlling shareholder.

English law provides that a board of directors may only allot shares (or rights to subscribe for or convert any security into shares) with the prior authorization of shareholders, such authorization stating the aggregate nominal amount of shares that it covers and being valid for a maximum period of five years, each as specified in the articles of association or relevant shareholder resolution.

English law also generally provides shareholders with pre-emptive rights when new shares are issued for cash. However, it is possible for the articles of association, or for shareholders to pass a special resolution at a general meeting, being a resolution passed by at least 75% of the votes cast, to disapply pre-emptive rights. Such a disapplication of pre-emptive rights may be for a maximum period of up to five years from the date of adoption of the articles of association, if the disapplication is contained in the articles of association, or from the date of the shareholder special resolution, if the disapplication is by shareholder special resolution but not longer than the duration of the authority to allot shares to which the disapplication relates. In either case, this disapplication would need to be renewed by our shareholders upon its expiration (i.e., at least every five years).

English law also generally prohibits a public company from repurchasing its own shares without the prior approval of shareholders by ordinary resolution, being a resolution passed by a simple majority of votes cast, and other formalities. Such approval may be for a maximum period of up to five years, though is customarily granted and renewed on a yearly basis. See Item 10. B. "Articles of Association."

As a result, our ability to issue equity securities, disapply pre-emptive rights or repurchase shares may, in practice, depend on the consent of a single shareholder, which may not align with the interests of other shareholders or with our preferred capital-raising strategy.

***Our articles of association provide that the courts of England and Wales will be the exclusive forum for the resolution of certain shareholder complaints, and the U.S. District Court for the Southern District of New York will be the exclusive forum for certain claims under the U.S. federal securities laws, which could limit shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.***

Our articles of association provide that, unless we consent in writing to the selection of an alternative forum, the courts of England and Wales will be the exclusive forum for resolving all shareholder complaints (including any derivative action or proceeding brought on behalf of us, any action or proceeding asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees, any action or proceeding asserting a claim arising out of any provision of the Companies Act or our articles of association or otherwise related to the affairs of our company), other than claims arising under the U.S. federal securities laws.

Our articles of association further provide that the U.S. District Court for the Southern District of New York will be the exclusive forum for resolving any shareholder complaint asserting a cause of action arising under the Securities Act. The exclusive forum provision does not apply to claims arising under the Exchange Act, for which federal courts have exclusive jurisdiction. In addition, our articles of association provide that any person or entity purchasing or otherwise acquiring any interest in our shares is deemed to have notice of and consented to these provisions.

This choice of forum provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits. The enforceability of similar exclusive forum provisions (including exclusive federal forum provisions for actions, suits or proceedings asserting a cause of action arising under the Securities Act) in other companies' organizational documents has been challenged in legal proceedings, and there is uncertainty as to whether courts would enforce the exclusive forum provisions in our articles of association. Additionally, our shareholders cannot waive compliance with U.S. federal securities laws and the rules and regulations thereunder. If a court were to find the choice of forum provision contained in our articles of association to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our results of operations and financial condition.

### **Risks Related to Investing in an Emerging Growth Company**

***We are an emerging growth company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our ADSs less attractive to investors.***

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). For as long as we continue to qualify as an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include, among other things, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation and exemptions from the requirements to hold a nonbinding advisory vote on executive compensation and shareholder approval of certain compensation arrangements.

We expect to cease to qualify as an emerging growth company following the end of the fiscal year ending December 31, 2026. At such time, we will be required to comply with additional disclosure and reporting requirements applicable to non-emerging growth companies.

We cannot predict whether investors will find our ADSs less attractive as a result of our reliance on these exemptions or our transition out of emerging growth company status. If some investors find our ADSs less attractive, there may be a less active trading market for our ADSs and the price of our ADSs may be more volatile.

## **Item 4. Information on the Company**

### **A. History and Development of the Company**

We were originally incorporated as GoSun Blockchain Limited, a private limited company organized under the laws of England and Wales on December 5, 2017, with company registration number 11097258. On December 21, 2017, GoSun Blockchain Limited changed its name to Argo Blockchain Limited and re-registered as a public limited company, becoming Argo Blockchain plc. We are known commercially as Argo Blockchain plc.

Argo Blockchain plc is the parent holding company of the Group. The Group consists of Argo Blockchain plc and the following subsidiaries of Argo Blockchain plc:

- **Argo Innovation Labs Inc.** (previously Argo Blockchain Canada Holdings Inc.), a wholly owned direct subsidiary incorporated and registered in British Columbia, Canada. Argo Blockchain Canada Holdings Inc. was acquired upon its incorporation on January 12, 2018. On January 8, 2019, it changed its name to Argo Innovation Labs Inc.;
- **Argo Holdings US Inc.**, a wholly owned direct subsidiary, incorporated in Delaware on November 22, 2022;

- **Argo Operating US LLC**, a wholly owned indirect subsidiary, incorporated in Delaware on November 22, 2022;
- **Growler USCo, Inc.**, a wholly owned indirect subsidiary, incorporated in Delaware on December 4, 2025, and
- **9377-2556 Quebec Inc.**, a wholly owned indirect subsidiary, incorporated and registered in Quebec, Canada.

Our registered office is located at Eastcastle House, 27/28 Eastcastle Street, London, England, W1W 8DH. Our principal executive offices are located at Eastcastle House, 27/28 Eastcastle Street, London, England, W1W 8DH. Our website address is <https://argoblockchain.com>. The inclusion of our website address in this Annual Report is an inactive textual reference. Information contained on, or that can be accessed through, our website is not incorporated by reference into this report, and you should not consider information on our website to be part of this report. Our agent for service of process in the United States is Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, Delaware 19711.

On December 11, 2025, a restructuring plan under Part 26A of the Companies Act 2006 (the “**Restructuring Plan**”) with respect to the Company became effective after being sanctioned by the High Court of Justice, Business and Property Courts of England and Wales. On December 15, 2025, the Restructuring Plan was implemented, and the transactions contemplated by the Restructuring Plan were consummated (collectively, the “**UK Restructuring**”).

Our ordinary shares were admitted to trading on the London Stock Exchange Main Market under the ticker symbol “ARB” on August 3, 2018. Argo’s ordinary shares were delisted from the London Stock Exchange as part of its Restructuring Plan, with trading on the Main Market ending on December 11, 2025, and the delisting becoming effective on December 12, 2025

Our ordinary shares traded on the OTCQB® Venture Market under the ticker symbol “ARBKF” from January 13, 2021, until February 23, 2021, and traded on the OTCQX® Best Market from February 24, 2021, to December 31, 2022.

Our American Depositary Shares (“**ADSs**”) have traded on Nasdaq under the ticker symbol “ARBK” since September 24, 2021.

Our 8.75% Senior Notes due 2026 were previously listed on Nasdaq under the ticker symbol ‘ARBKL’; however, these notes were cancelled pursuant to the UK Restructuring and are no longer outstanding or traded.

### **Capital Expenditures and Divestitures**

Historically, our capital expenditures consisted primarily of purchases of mining machines and investments in mining facilities that we owned and operated. In 2022, capital expenditures reflected this ownership model, including investments in the Helios facility, which was subsequently divested in December 2022. Following that divestiture, the Company significantly reduced its capital intensity. We did not incur any material capital expenditures in 2024 or 2025.

### **More Information**

The SEC maintains an internet site that contains reports, proxy, and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>. The Company’s SEC filings can be found there and on the Company’s website at <https://argoblockchain.com/investors/financial-information/financials>.

### **B. Business Overview**

We are a company focused on mining Bitcoin and other crypto assets. We mine using purpose-built computers (or “mining machines”) to solve complex cryptographic algorithms (or “verify” or “solve” blocks) on the blockchain in exchange for rewards and fees denominated in the native asset of that blockchain network.

Our mining strategy is to cost-effectively acquire and deploy advanced mining technology solutions in North American facilities that utilize predominantly inexpensive electricity. As of December 31, 2025, we had a fleet of approximately 22,600 machines mining Bitcoin that can generate up to 2.4 exahash per second of computing power.

In December 2022, we sold the Helios facility, which we designed, constructed, and energized over the course of 2021 and 2022. The transaction strengthened our balance sheet through \$41 million of debt reduction and through a refinance of our remaining machine-backed loans with a new asset-backed loan from Galaxy.

We maintained ownership of our entire fleet of mining machines, including 23,619 Bitmain S19J Pro machines that were operating at the Helios facility prior to the sale. Those miners remained at the Helios facility following the sale and continued to operate pursuant to a two-year hosting agreement with Galaxy that expired on December 28, 2024.

The hosting agreement with Galaxy allowed us to share in the proceeds from economic curtailment, which occurred when Helios monetized its fixed-price power purchase agreement during periods of high power prices. During 2023, we generated approximately \$7.2 million in power credits. A lower amount of power credits was received in 2024 as a result of variable-priced power which resulted in significantly lower power costs during 2024 as compared to if a fixed price power purchase agreement had been entered into.

In 2025, the Group signed hosting agreements with Merkle Standard LLC to host 9,315 miners at Merkle's Memphis, Tennessee location and up to 4,000 machines at its Washington state location. These hosting agreements ended in March and April of 2026, respectively. Approximately 1,232 units will be sent to the Group's Baie Comeau facility. A further 8,000 units were sold for cash proceeds of approximately \$2.0 million.

Throughout the year, the Company focused on three key pillars: financial discipline, operational excellence, and strategic partnerships for growth.

#### *Financial discipline*

The Company has made significant progress in reducing its cost base and strengthening its financial position over the past three years. In 2023, non-mining operating expenses were reduced by 58% compared to 2022, with further reductions of 34% achieved in 2024 as the Company continued to streamline operations and focus on cost discipline. In parallel, the Company reduced its debt by \$13 million in 2023 and fully repaid its Galaxy debt in 2024 through a combination of operating cash flows, equity raises and the sale of non-core assets, while maintaining its operational capacity.

In 2025, the Company completed a comprehensive restructuring which materially repositioned its balance sheet. As part of this process, the Company's unsecured bonds were equitized, significantly reducing debt and strengthening the Company's capital structure. This, together with continued cost management, has improved the Company's overall financial flexibility and liquidity position.

#### *Operational capabilities*

After selling the Mirabel facility in March 2024, Argo continues to own and operate its data center in Baie Comeau, Quebec. The Baie Comeau site is over 40,000 square feet and has 15 MW of 99% renewable power capacity sourced from the nearby Baie Comeau hydroelectric dam. Additionally, the Company has the ability to expand its capacity at Baie Comeau from 15 MW to 23 MW if the local municipality awards a contract for the expansion.

#### *Growth and strategic partnerships*

The Company continues to explore opportunities where mining can be paired with stranded or wasted energy. There is tremendous potential for energy generators to utilize mining as a balancing and optimization tool, particularly in the energy transition where limitations currently exist in the ability to store renewable energy.

Since inception, we have mined more than 10,659 Bitcoin for our own account through December 31, 2025. In 2025, 2024, and 2023, our treasury management strategy was to sell our mined Bitcoin on a weekly basis in order to fund our operating expenses and for working capital needs.

## **Cryptocurrency and Cryptocurrency Mining Overview**

### ***Blockchain and Cryptocurrencies Overview***

Cryptocurrencies are a type of digital asset that function as a medium of exchange, a unit of account and/or a store of value (i.e. a new form of digital money). Cryptocurrencies operate by means of blockchain technology, which generally uses open- source, peer-to-peer software to create a decentralized digital ledger that enables the secure use and transfer of digital assets. We believe cryptocurrencies and associated blockchain technologies have potential advantages over traditional payment systems, including: the tamper-resistant nature of blockchain networks, rapid-to-immediate settlement of transactions, lower fees, elimination of counterparty risk, protection from identity theft, broad accessibility, and a decentralized nature that enhances network security by reducing the likelihood of a “single point of failure.” In recent years, cryptocurrencies have gained widespread mainstream attention and have begun to experience greater adoption by both retail and institutional investors and the broader financial markets. On January 10, 2024, the SEC approved the listing and trading of exchange traded funds (“ETFs”) to track the spot price of Bitcoin.

### ***Cryptocurrency Mining and Mining Pools***

As a cryptocurrency miner, we use specialized mining machines to solve cryptographic math problems necessary to record and “publish” cryptocurrency transactions to blockchain ledgers. Generally, each cryptocurrency has its own blockchain, which consists of software code (also known as a protocol), which is run by all the computers on the network for such blockchain. Within this code, transactions are collated into blocks, and these blocks must meet certain requirements to be verified by the blockchain software, added to the blockchain or ledger of all transactions and published to all participants on the network that are running the blockchain software. After a transaction is verified, it is combined with other transactions to create a new block of data for the blockchain. For proof-of-work blockchains, the process of verifying valid blocks requires computational effort to solve a cryptographic equation, and this computational effort protects the integrity of the blockchain ledger. This process is referred to as “mining.” As a reward for verifying a new block, miners receive payment in the form of the native cryptocurrency of the network (e.g., Bitcoin). This payment is comprised of a block reward (i.e., the automatic issue of new cryptocurrency tokens) and the aggregated transaction fees for the transactions included in the block (paid in existing cryptocurrency tokens by the participants to the transactions). The block reward payments and the aggregated transaction fees are what provide the incentive for miners to contribute hashrate to the network.

A “hash” is the actual cryptographic function run by the mining machines and is a unique set of numbers and letters derived from the content of the block. The protocol governing the relevant blockchain sets certain requirements for the hash. Mining machines compete to be the first to generate a valid hash meeting these requirements and, thereby, secure payment for solving the block. Hashrate is the speed at which mining machines can complete the calculation and therefore is a critical measure of performance and computational power. A high rate means a mining machine may complete more calculations over a given period and has a greater chance to solve a block. An individual miner has a hashrate total of its mining machines seeking to mine a specific cryptocurrency, and the blockchain-wide hashrate for a specific cryptocurrency can be understood as the aggregate of the hashrates of all the mining machines actively trying to solve a block on that blockchain at a given time.

The protocols governing Bitcoin and other cryptocurrencies are coded to regulate the frequency at which new blocks are verified by automatically adjusting what is known as the “mining difficulty,” which is the level of computational activity required before a new block is solved and verified. For example, on the Bitcoin blockchain the protocol is coded such that a new block is solved and verified approximately every 10 minutes. As such, to the extent the hash power on the network is increased or decreased due to, for example, fluctuations in the number of active mining machines online, mining difficulty is correspondingly increased or decreased to maintain the preset interval for the verification of new blocks.

On certain cryptocurrency networks, including Bitcoin, the rewards for solving a block are also subject to periodic incremental halving. Halving is a process designed to control the overall supply and reduce the risk of inflation in cryptocurrencies using a proof-of-work consensus algorithm. After a predetermined number of blocks are added to the blockchain, the mining reward is cut in half, hence the term “halving.” The last halving for Bitcoin occurred on April 19, 2024, and the next halving for Bitcoin is expected in 2028. Transaction fees are variable and depend on the level of activity on the network. Generally, transaction fees increase during times of network congestion, as miners will prefer transactions with higher fees, and therefore a higher fee can reduce the time to process a transaction. Conversely, transaction fees generally decrease when there are fewer transactions on the network.

As the total amount of available hashrate has increased (particularly on the Bitcoin network), it has become increasingly difficult for any individual miner to independently solve a block. As a result, “mining pools” have emerged as an efficient way for miners to pool resources. Mining pools aggregate the hashrate of various miners participating in the mining pool. In this way the mining pool, rather than an individual miner, receives the block reward and related transaction fees. The mining pool is organized by a third party who, in return for a percentage of the earned block rewards and transaction fees as a fee, administers the pool and ensures that the participants in the pool receive their share of the block reward and related transaction fees, generally pro-rata to their contributed hashrate. Mining pools offer miners more predictable and consistent revenue compared to mining individually.

## **Our Strategy**

### ***Balance between owned & operated mining facilities and utilizing third party sites***

Beginning with the sale of our Helios facility to Galaxy, we have adopted a strategy of striking a balance between owning and operating our own mining facilities and utilizing third party facilities with access to reliable, low-cost and renewable energy.

Utilizing third-party hosting facilities has historically allowed us to focus capital investments on mining operations without incurring the full cost of facility ownership, maintenance and operation. By contrast, owning and operating our mining machines at our facilities offers certain advantages, including access to reliable, low-cost, renewable power and potential opportunities for expansion.

As our operating model continues to evolve, including following the expiration of certain prior hosting arrangements and the redeployment or disposition of portions of our mining fleet, we may utilize a combination of owned facilities, leased sites and third-party hosting arrangements. We believe this flexible approach may enhance our ability to adapt our operations and manage costs compared to relying solely on outsourced infrastructure.

We anticipate that we will continue to evaluate opportunities to optimize and integrate our operations, including with respect to both the software utilized by our fleet and the associated hardware.

### ***Emphasis on sustainability***

We believe that as cryptocurrency adoption continues, it is increasingly important that this asset class evolves in an environmentally and socially responsible manner. Since inception, Argo has always maintained a strong focus on environmental sustainability, and to our knowledge, we are also the first publicly traded Bitcoin mining company to publish a sustainability report in alignment with the Task Force on Climate-related Financial Disclosures (“TCFD”) framework.

### ***Diversification***

Over the long term, our strategy is to diversify our sources of revenue and value creation by investing in and developing other commercial opportunities at the intersection of energy, finance, and technology.

## **Mining Equipment and Suppliers**

Our mining fleet primarily consists of Bitmain Antminer S19, S19 Pro, S19J Pro, MicroBT M60S, Antminer Z11 and ePIC BlockMiners, all of which utilize advanced application –specific-integrated-circuits (“ASICs”) designed specifically for cryptocurrency mining. These ASICs machines deliver significantly greater efficiency and hashing power compared to general-purpose computing hardware. As of December 31, 2025, our active fleet consisted of 21,230 ASICs-based miners.

## **Exchanges, Trading Venues and Custodian**

As we mine cryptocurrency, we recognize revenue on a daily basis at the market price of the cryptocurrency. We generally sell our mined cryptocurrency assets on a weekly basis in order to fund our operating expenses and for working capital needs. When we sell our cryptocurrency assets for fiat currency, we typically use OTC trading desks and exchanges that are, to the best of our knowledge, appropriately licensed and regulated to provide these services.

Our Bitcoin holdings are held by our Custodian. Additionally, we may also hold immaterial amounts of cryptocurrencies from time to time in our accounts at digital asset trading venues, in assets management platforms, or in hardware wallets maintained by us. Exchange accounts are generally subject to less stringent regulatory supervision than custodians regulated as banks or trust companies and may be subject to more security and operational risks than assets held by our Custodian.

## **Mining Pools**

We currently contribute 100% of our hash power to mining pools. We currently mine Bitcoin through third-party mining pools, including Luxor Pool. Our decision to contribute hash power to a particular mining pool is based primarily on the net payout per petahash contributed. Fees (and payouts) fluctuate and are typically less than 2% per reward earned, on average. Mining pools are subject to various risks, including but not limited to disruption, down time, and financial solvency. If a pool experiences down time or is not yielding returns, our results may be impacted. However, this is something that we monitor closely, and we are able to switch mining pools relatively quickly and easily.

## **Competition**

We compete with companies that focus on some or all of the same aspects of our business, including, but not limited to purchasing mining machines, leasing or developing facilities to host our mining machines, accessing low-cost and renewable power, offering mining advisory services, and developing blockchain and related technologies. The cryptocurrency industry is dynamic and constantly evolving with new companies and technologies that could impact the way we do business. Increased competition has recently been driven by the price increases in Bitcoin and other major cryptocurrencies since late 2020. We expect that new and existing competitors may look to build or increase bitcoin mining operations if the price increases in Bitcoin and other cryptocurrencies continue.

We compete on the basis of:

- operational efficiency;
- hashrate;
- reliable, low-cost, renewable power; and
- innovation.

We believe that we will maintain and improve our competitive position by continuing our strategy of balancing between owned & operated mining facilities and utilizing third party sites, accessing renewable power at low prices, and investing in new and innovative technologies. Proof-of-stake networks also compete with the Bitcoin blockchain. Proof-of-stake algorithms do not rely on resource intensive calculations to validate transactions and create new blocks in a blockchain; instead, the validator of the next block is determined by reference to the amount of digital assets a user has “staked” and the amount of time it has been “staked,” which typically generates payments to such user in additional digital assets. Should a digital asset network shift from a proof-of-work based consensus mechanism to a proof-of-stake consensus mechanism, the transaction confirmation process would require less power and may render any company that maintains advantages in the current climate with respect to proof-of-work mining (for example, from lower priced electricity, processing, real estate, or hosting) less competitive.

## **Employees and Human Capital Resources**

Our team facilitates direct and frequent communication. We focus on reinforcing a culture that emphasizes teamwork and process improvement. We work to identify, attract, and retain employees who are aligned with and will help us progress our business strategy, and we seek to provide competitive compensation. We believe we have a good relationship with our employees and our unique, strong culture differentiates us and is a key driver of business success. None of our employees are currently covered by collective bargaining agreements or represented by labor unions.

As of December 31 of the years ended 2025, 2024 and 2023, we had 13, 22, and 32 employees, respectively, not inclusive of non-executive directors.

## **Marketing and Research and Development**

We utilize traditional media and social media channels for our marketing and communications effort, which are principally focused on keeping our investors and other stakeholders informed and up-to-date regarding our operations.

We have developed and may continue to research and develop certain proprietary technologies for purposes of optimizing and enhancing our cryptocurrency mining operations. Marketing, research and development have not been significant components of our business and have been immaterial to our financial condition and results of operations, however such activities may become more significant in the future.

## **Intellectual Property**

We use third party hardware and software for our mining operations. To the extent that there are license agreements in place governing our use of such hardware and software, we intend to adhere to the terms of such license agreements. We rely upon trade secret laws to protect proprietary aspects of our blockchain and cryptocurrency-related operations. We do not currently own any patents and are not seeking patent protection for any proprietary aspects of our existing and planned blockchain and cryptocurrency-related operations.

## **Cybersecurity**

We have put in place security measures such as implementing two-factor authentication, a corporate password manager, and secondary confirmation for any changes to our accounts at service providers. Despite these efforts, there is no guarantee that these measures will protect against an actual or alleged cyber threat and security breach. In addition, insurance providers are currently reluctant to provide cybersecurity insurance for cryptocurrency mining operations and digital asset holdings; therefore, in the event of theft or an unauthorized or illegal manipulation of or access to the digital asset networks used in connection with the mining process, such assets may not be fully or partially recoverable.

## **Seasonality**

Our annual and quarterly operating results have the potential to be significantly affected by seasonality related to weather and the related energy commodity price volatility. The price of electric power typically peaks during the winter and summer months, and more generally during extreme weather events, which can potentially impact the Company’s results. Additionally, extreme weather conditions may impact the efficiency and uptime of our mining operations which will have an impact on operating results.

## Regulation

The laws and regulations applicable to cryptocurrency are evolving and subject to interpretation and change. Governments around the world have reacted differently to cryptocurrencies; certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as in the United States, cryptocurrencies are subject to extensive, and in some cases overlapping, unclear and evolving regulatory requirements. As cryptocurrencies have grown in both popularity and market value, the U.S. Congress and a number of U.S. federal and state agencies, including FinCEN, SEC, CFTC, Financial Industry Regulatory Authority (FINRA), the Consumer Financial Protection Bureau, the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, the IRS and state financial regulators, have been examining the operations of cryptocurrency networks, cryptocurrency users and cryptocurrency exchange markets, with particular focus on the extent to which cryptocurrencies can be used to launder the proceeds of illegal activities or fund criminal or terrorist enterprises and the safety and soundness and consumer-protective safeguards of exchanges or other service-providers that hold, transfer, trade or exchange digital assets for users. Many of these state and federal agencies have issued consumer advisories regarding the risks posed by cryptocurrencies to investors. In addition, federal and state agencies, and other countries have issued rules or guidance about the treatment of cryptocurrency transactions or requirements for businesses engaged in activities related to cryptocurrencies. Depending on the regulatory characterization of the cryptocurrencies we mine, the markets for those cryptocurrencies in general, and our activities in particular, may be subject to one or more regulators in the United States and globally. On-going and future regulatory actions may alter, perhaps to a materially adverse extent, the nature of cryptocurrency markets and our cryptocurrency operations. Additionally, U.S. state and federal, and foreign regulators and legislatures have taken action against cryptocurrency businesses, enacted restrictive regimes in response to adverse publicity arising from hacks, consumer harm, or criminal activity stemming from cryptocurrency activity or have taken actions that make it more difficult for cryptocurrency companies to obtain banking services. There is also increasing attention being paid by U.S. federal and state energy regulatory authorities as the total load of crypto-mining grows and potentially alters the supply and dispatch functionality of the wholesale grid and retail distribution systems. Many state legislative bodies are also actively reviewing the impact of crypto-mining in their respective states.

We are unable to predict the effect that any future regulatory change, or any overlapping or unclear regulations, may have on us, but such change, overlap or lack of clarity could be substantial and make it difficult for us to operate our business or materially impact the market for cryptocurrencies that we mine or may mine in the future. FinCEN has issued guidance stating its position that it does not differentiate between fiat currency (which FinCEN calls “real currency”) and cryptocurrencies that are convertible into fiat currency or other forms of convertible virtual currencies (which FinCEN calls “virtual currency”) for purposes of determining whether a person or entity is engaging in “money transmission services.” Persons and entities engaging in virtual currency activities that amount to “money transmission services,” or otherwise cause them to be deemed a “money services business” under FinCEN’s regulations, must register as a money services business, implement an “effective” anti-money laundering program and comply with FinCEN’s reporting and recordkeeping requirements.

In May 2019, FinCEN issued guidance relating to how the U.S. Bank Secrecy Act (“BSA”) and its implementing regulations relating to money services businesses apply to certain businesses that transact in convertible virtual currencies. Although the guidance generally indicates that certain mining and mining pool operations will not be treated as money transmission, the guidance also addresses when certain activities, including certain services offered in connection with operating mining pools such as hosting convertible virtual currency wallets on behalf of pool members or purchasers of computer mining power, may be subject to regulation. Although we believe that our mining activities do not presently trigger FinCEN registration requirements under the BSA, if our activities cause us to be deemed a “money transmitter,” “money services business” or equivalent designation, under federal law, we may be required to register at the federal level and comply with laws that may include the implementation of anti-money laundering programs, reporting and recordkeeping regimes, and other operational requirements. In such an event, to the extent we decide to proceed with some or all of our operations, the required registration and regulatory compliance steps may result in extraordinary, non-recurring expenses to us, as well as on-going recurring compliance costs, possibly affecting an investment in the ADSs, operating results or financial condition in a material and adverse manner. Failure to comply with these requirements may expose us to fines, penalties and/or interruptions in our operations that could have a material adverse effect on our financial position, results of operations and cash flows.

According to the CFTC, at least some cryptocurrencies, including Bitcoin, fall within the definition of a “commodity” under the U.S. Commodities Exchange Act of 1936, as amended (the “CEA”). Under the CEA, the CFTC has broad enforcement authority to police market manipulation and fraud in spot cryptocurrency markets in which we may transact. Beyond instances of fraud or manipulation, the CFTC generally does not oversee cash or spot market exchanges or transactions involving cryptocurrencies that do not utilize margin, leverage, or financing. The National Futures Association (“NFA”) is the self-regulatory agency for the U.S. futures industry, and as such has jurisdiction over Bitcoin futures contracts and certain other cryptocurrency derivatives. However, the NFA does not have regulatory oversight authority for the cash or spot market for cryptocurrency trading or transactions. In addition, CFTC regulations and CFTC oversight and enforcement authority apply with respect to futures, swaps, other derivative products, and certain retail leveraged commodity transactions involving cryptocurrencies, including the markets on which these products trade.

The SEC has taken the position that many cryptocurrencies may be securities under U.S. federal securities laws. Some senior members of the staff of the SEC have expressed the view that Bitcoin and Ethereum are not securities under U.S. federal securities laws. However, such statements are not official policy statements by the SEC and reflect only the speakers’ views, which are not binding on the SEC or any other agency or court and cannot be generalized to any other cryptocurrency. The SEC’s Strategic Hub for Innovation and Financial Technology published a framework for analyzing whether any given cryptocurrency is a security in April 2019, however this framework is also not a rule, regulation or statement of the SEC and is similarly not binding on the SEC. Notwithstanding that the SEC has not asserted regulatory authority over Bitcoin or trading or ownership of Bitcoin and has not expressed the view that Bitcoin should be classified or treated as a security for purposes of U.S. federal securities laws, the SEC has commented on Bitcoin and Bitcoin-related market developments and has taken action against investment schemes involving Bitcoin. For example, the SEC has charged at least three Bitcoin mining companies in connection with a Ponzi scheme to defraud investors in their mining operation. The SEC has also repeatedly denied proposed rule changes by exchanges to list and trade shares of certain Bitcoin-related investment vehicles on public markets, citing significant investor protection concerns regarding the markets for cryptocurrencies, including the potential for market manipulation and fraud. Although the SEC has not stated that mining Bitcoin is itself a regulated activity, to the extent any cryptocurrencies we mine are deemed to be securities, the offer, sale, and trading of those cryptocurrencies would be subject to the U.S. federal securities laws.

In addition to the SEC, state securities regulators and several foreign governments have also issued warnings that certain cryptocurrencies may be classified as securities in their jurisdictions, and that transactions in such cryptocurrencies may be subject to applicable securities regulations. Furthermore, certain state securities regulators have taken the position that certain cryptocurrency mining operations may involve the offer of securities. For example, the Texas State Securities Board (“TSSB”) has taken enforcement action against the operator of a cloud mining company, whereby customers could purchase hashrate managed by the cloud mining company in exchange for a share of the mining reward, for offering unregistered securities.

State financial regulators such as the New York State Department of Financial Services (“NYDFS”) have also implemented licensure regimes, or repurposed pre-existing fiat money transmission licensure regimes, for the supervision, examination and regulation companies that engage in certain cryptocurrency activities. The NYDFS requires that businesses apply for and receive a license, known as the “BitLicense,” to participate in a “virtual currency business activity” in New York or with New York customers, and prohibits any person or entity involved in such activity from conducting activities without a license.

Louisiana also has enacted a licensure regime for companies engaging in a “virtual currency business activity,” and other states are considering proposed laws to establish licensure regimes for certain cryptocurrency businesses as well. Some state legislatures have amended their money transmitter statutes to require businesses engaging in certain cryptocurrency activities to seek licensure as a money transmitter, and some state financial regulators have issued guidance applying existing money transmitter licensure requirements to certain cryptocurrency businesses. The Conference of State Bank Supervisors also has proposed a model statute for state level cryptocurrency regulation. Although we believe that our mining activities do not presently trigger these state licensing requirements in any state in which we operate or plan to operate, if our activities cause us to be deemed a “money transmitter,” “money services business” or equivalent designation under the law of any state in which we operate or plan to operate, we may be required to seek a license or register at the state level and comply with laws that may include the implementation of anti-money laundering programs, reporting and recordkeeping regimes, consumer protective safeguards, and other operational requirements. In such an event, to the extent we decide to proceed with some or all of our operations, the required registrations, licensure and regulatory compliance steps may result in extraordinary, non-recurring expenses to us, as well as on-going recurring compliance costs, possibly affecting an investment in the ADSs, our net income in a material and adverse manner. Failure to comply with these requirements may expose us to fines, penalties and/or interruptions in our operations that could have a material adverse effect on our financial position, results of operations and cash flows.

*Examples of overlapping, unclear and evolving regulatory requirements outside the United States include the following:*

In Europe, at an EU level and in a number of EU member states (as well as the UK), other than in respect of anti-money laundering (as discussed below), cryptocurrencies taking the form of assets designed for the exchange of value (such as Bitcoin) generally remain outside of the financial services regulatory perimeter. Nonetheless, the regulatory treatment of any particular cryptocurrency is highly fact specific. At present, cryptocurrency mining activities are not subject to any regulatory authorization requirements with any UK financial services regulator.

Multiple regulators have highlighted the need for more stringent regulatory scrutiny for all types of cryptocurrencies and have taken legislative action directed at certain cryptocurrencies. In general, where regulatory action has been taken in Europe, it has typically been in response to concerns arising in relation to AML and consumer protection.

Under the EU’s Fifth Money Laundering Directive (MLD5), custodian wallet providers and providers engaged in exchange services between cryptocurrencies (referred to as virtual currencies) and fiat currencies are subject to registration with the relevant supervisory authority in their jurisdiction and must comply with day-to-day AML and counter-terrorist financing measures, including client due diligence obligations. Certain EU member states have implemented further measures in addition to the requirements of MLD5, including, (i) an order introduced by several French ministries in December 2020, which aims to ban anonymous crypto accounts and regulate crypto-related transactions in light of concerns for terrorism financing and money laundering; and (ii) strengthened anti-money laundering protections introduced by the Dutch regulator in November 2020, which were perceived to be targeting privacy coins as the protections impose client information and verification requirements. The EU Fifth Money Laundering Directive has been retained as UK law (subject to certain amendments) following the UK’s withdrawal from the EU and its requirements apply to in-scope firms that conduct business in the UK. However, taking account of relevant guidance as to the scope of the UK’s AML regime published by the UK Joint Money Laundering Steering Group, we do not believe that we fall within scope of the UK’s anti-money laundering regime as either a custodian wallet provider or a virtual currency exchange provider.

From a consumer protection perspective, in January 2021 the UK’s Financial Conduct Authority imposed a ban on the sale of crypto-derivatives and exchange traded notes to retail investors in light of concerns for consumer harm, criminal activity and value fluctuations, following a number of warnings to consumers about the risks of investing in cryptocurrencies. In March 2021, the European Supervisory Authorities reissued earlier warnings reminding consumers of the need to be alert to the “high risks” of cryptocurrencies, “including the possibility of losing all their money.”

Cryptocurrencies remain a key focus for European regulators, and future measures could be introduced that have an impact on firms engaging in cryptocurrency-related businesses. In 2023, the European Union adopted the Markets in Crypto-Assets Regulation (“MiCA”), which establishes a comprehensive regulatory framework for crypto-asset issuers and certain crypto-asset service providers in the EU. While MiCA does not currently impose authorization requirements on cryptocurrency mining activities conducted as principal, its implementation may influence the broader regulatory treatment of crypto-assets and related activities in the EU and the United Kingdom. Future amendments, delegated acts, or interpretive guidance could expand the scope of MiCA or introduce additional compliance obligations that may affect our business.

FATF, an independent inter-governmental standard-setting body of which the United States is a member, develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. FATF generally refers to cryptocurrency as a form of “virtual currency,” a digital representation of value that does not have legal tender status.

## **Legal Proceedings**

From time to time, we may be subject to legal proceedings and claims that arise in the ordinary course of business. We were previously subject to a class action lawsuit, which was dismissed with prejudice and without leave to amend. The Company is currently subject to a claim brought by a former employee in connection with his termination. While the Company does not expect this matter to have a material adverse effect on its financial condition or results of operations, there can be no assurance as to the outcome. Based on our knowledge, we are not currently subject to any other material legal proceedings or claims.

## **Environmental, Health and Safety Matters**

Our operations and properties are subject to extensive laws and regulations governing occupational health and safety, the discharge of pollutants into the environment or otherwise relating to health, safety and environmental protection requirements in Canada, the United Kingdom, the United States and every other country and locality in which we operate. These laws and regulations may impose numerous obligations that are applicable to our operations, including acquisition of a permit or other approval before conducting construction or regulated activities; restrictions on the types, quantities and concentration of materials that can be released into the environment; limitation or prohibition of construction and operating activities in environmentally sensitive areas, such as wetlands; imposing specific health and safety standards addressing worker protection; and imposition of significant liabilities for pollution resulting from our operations, including investigation, remedial and clean-up costs. Failure to comply with these requirements may expose us to fines, penalties and/or interruptions in our operations that could have a material adverse effect on our financial position, results of operations and cash flows. Certain environmental laws may impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed or otherwise released into the environment, even under circumstances where the hazardous substances were released by prior owners or operators or the activities conducted and from which a release emanated complied with applicable law. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by noise or the release of hazardous substances into the environment.

Concerns have been raised about the electricity required to secure and maintain digital asset networks. Although measuring the electricity consumed by this process is difficult because these operations are performed by various machines with varying levels of efficiency, the process consumes a significant amount of power. Further, in addition to the direct power costs of performing these calculations, there are indirect costs that impact a digital asset network’s total power consumption, including the costs of cooling the machines that perform these calculations. Due to these concerns around power consumption, particularly as such concerns relate to public utilities companies, various jurisdictions (including certain cities) have implemented, or are considering implementing, moratoriums on digital asset mining in their jurisdictions. A significant reduction in mining activity as a result of such actions could adversely affect the security of the Bitcoin network by making it easier for a malicious actor or botnet to manipulate the Bitcoin blockchains, which may in turn adversely affect our ability to securely mine Bitcoin. Changes to our ability to mine Bitcoin could have a negative impact on our results of operation, which may in turn adversely affect the value of our ADSs.

We believe our operations are in material compliance with existing environmental, health and safety laws and regulations and that our compliance with such regulations will not have a material adverse effect on our financial position, results of operations and cash flows. However, environmental and safety laws and regulations are subject to change. The trend in environmental regulation has been to place more restrictions and limitations on activities that may be perceived to impact the environment, and thus there can be no assurance as to the amount or timing of future expenditures for environmental regulation compliance or remediation. New or revised regulations that result in increased compliance costs or additional operating restrictions could have a material adverse effect on our financial position, results of operations and cash flows.

### C. Organizational Structure

Argo Blockchain plc is the parent holding company of the Group. The Group consists of Argo Blockchain plc and the following subsidiaries of Argo Blockchain plc:

- Argo Innovation Labs Inc. (previously Argo Blockchain Canada Holdings Inc.), a wholly owned direct subsidiary incorporated and registered in British Columbia, Canada. Argo Blockchain Canada Holdings Inc. was acquired upon its incorporation on January 12, 2018. On January 8, 2019, it changed its name to Argo Innovation Labs Inc.;
- Argo Holdings US Inc., a wholly owned direct subsidiary, incorporated in Delaware on November 22, 2022;
- Argo Operating US LLC, a wholly owned indirect subsidiary, incorporated in Delaware on November 22, 2022;
- Growler USCo, Inc., a wholly owned indirect subsidiary, incorporated in Delaware on December 4 2025; and
- 9377-2556 Quebec Inc., a wholly owned indirect subsidiary incorporated in Quebec, Canada.

### D. Property, Plant and Equipment

During 2025, we operated our cryptocurrency mining machines from one Argo-owned facility in Canada and two hosted facilities in the United States throughout the year and at two leased Growler facilities starting in December 2025. Currently, we operate our cryptocurrency mining machines from one Argo-owned facility in Canada and two leased Growler facilities in the United States. The details of the facilities are set out below:

CAPACITY LOCATION	OWNED OR HOSTED	FACILITY SIZE (FT) <sup>(1)</sup>	POWER (MW) <sup>(2)</sup>
Quebec, Canada	Owned	40,000	15
Tennessee, United States	Hosted <sup>(3)</sup>	20,000	45
Washington, United States	Hosted <sup>(4)</sup>	625,000	100
Alabama, United States	Leased <sup>(5)</sup>	25,130	7.5
Alabama, United States	Leased <sup>(5)</sup>	12,245	6

#### Notes

(1) Square footage refers to the total facility size, not the area devoted to cryptocurrency mining operations.

(2) For owned facilities, this reflects the maximum power capacity accessible on site. For hosted facilities, this reflects the maximum anticipated power usage of our mining machines hosted at that facility. The exact power usage depends on a variety of factors.

(3) The hosting arrangement in Tennessee began in March 2025 and ended March 2026.

(4) The hosting arrangement in Washington began in April 2025 and ended April 2026.

(5) The lease agreements in Alabama initiated in December 2025.

### Item 4A. Unresolved Staff Comments

None.

### Item 5. Operating and Financial Review and Prospects

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with our consolidated financial statements, including the notes thereto, included in this Annual Report, as well as "Presentation of Financial and Certain Other Information," Item 3.D. "Risk Factors" and Item 4.B. "Business Overview."

The following discussion includes certain forward-looking statements. Actual results may differ materially from those discussed in such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this Annual Report.

## Overview

We are a company focused on mining Bitcoin and other crypto assets. We mine using purpose-built computers (or “mining machines”) to solve complex cryptographic algorithms (or “verify” or “solve” blocks) in the blockchain in exchange for rewards and fees denominated in the native token of that blockchain network.

We were founded in late 2017 and initially focused on providing our mining capacity as a service to our customers. In this initial model, customers contracted Bitcoin mining services from us for a fee, and our customers would earn the Bitcoin rewards generated from the contracted mining services directly to their cryptocurrency wallet address. Beginning in 2019, we chose to wind down our mining-as-a-service business and shifted to mining for our own account to increase our revenues and margins. In 2023, 2024 and 2025, we did not have any mining-as-a service revenue.

Upon our shift to mining for our own account, we began substantially increasing our investment in mining machines, and we have our mining machines hosted in facilities operated by third parties as well as in facilities that we own and operate. As of December 31, 2023, we had approximately 2.8 exahash of mining capacity, of which approximately 0.4 exahash was located in facilities we own in Quebec, Canada, and approximately 2.4 exahash was located in hosted facilities.

In 2023, 2024 and 2025, our treasury management strategy was to sell our mined Bitcoin on a weekly basis in order to fund our operating expenses and for working capital needs. Cryptocurrency held in treasury is marked to market at the end of each of our financial reporting periods, with gains and losses reflected as changes in fair value of digital currencies in our income statement. As a result, our operating results and total assets vary in direct proportion to the value of the applicable cryptocurrencies we hold in a given period, and these variations may be substantial.

In 2023, 2024 and 2025, we mined 1,760, 755 and 150 Bitcoin, respectively, and our total revenue was \$50.6 million, \$47 million, and \$15.5 million, respectively. In 2023, our total comprehensive loss was \$35.8 million, \$55.3 million in 2024 and in 2025, our total comprehensive profit was \$4.6 million primarily driven by gains arising from the December 2025 restructuring, rather than underlying operating performance.

Following the completion of the UK Restructuring in December 2025 and the additional investment and ongoing financial support from our controlling shareholder, Growler, including access to a subscription facility providing potential additional funding, management believes the Company has sufficient liquidity to continue as a going concern for at least twelve months from the date of approval of these financial statements, and no material uncertainty related to going concern has been identified. While the Company has historically incurred operating losses and remains exposed to volatility in cryptocurrency markets and energy costs, the restructuring and support from its controlling shareholder have materially improved its financial position and reduced going concern uncertainty. For the year ended December 31, 2024, management identified conditions that raised substantial doubt about the Company’s ability to continue as a going concern, and our independent registered public accounting firm included an explanatory paragraph in its report in respect of that period.

### A. Operating Results

#### Factors Affecting Our Results of Operations

##### *Market Value of Bitcoin and other Cryptocurrency*

Substantially all of our current business is focused on mining Bitcoin. Our revenue is primarily comprised of the value of Bitcoin rewards and transaction fees we earn by mining the blockchain. Our operating results and financial condition are substantially affected by fluctuations and long-term trends in the value of Bitcoin. In 2022, the rapid decline in Bitcoin and other cryptocurrency pricing materially and adversely affected our revenue, financial condition and operating results, and required us to divest a substantial portion of our Bitcoin as well as our Helios mining facility in Texas in order to meet operating expenses and avoid default under our credit facilities. In 2023, Bitcoin mining economics improved, allowing us to significantly reduce our debt, deploy additional hashrate capacity in Quebec, and strengthen our balance sheet. In 2024, Bitcoin mining economics continued the trajectory from 2023 up until the halving event in April 2024. Post April 2024, mining economics dropped to below recent all-time-lows and while it recovered slightly, it remained below the 2023 average. We carefully monitor fluctuations and longer-term trends in the value of Bitcoin, which impacts the price of machines, when planning our short- and long-term operating strategies and capital expenditures. We also regularly evaluate potential innovations in geography, physical footprint, infrastructure computing technology and similar areas to improve our operations and productivity. We believe this strategy will enable us to build value over the long term, and differentiates us from competitors whose decisions, we believe, are driven principally by short-term market dynamics and opportunities.

The market for cryptocurrencies is new, rapidly evolving and subject to regulatory, tax, political and market factors beyond our control. Increased hashrate in the market resulting from the deployment of new mining machines will generally lead to increases in mining difficulty, which in turn decreases our revenue and adversely affects our mining margins. Further, reward rates for cryptocurrency are subject to adjustments at predetermined intervals. For example, for Bitcoin, the reward was initially set at 50 Bitcoin rewards per block and this was cut in half to 25 on November 28, 2012 at block 210,000, again to 12.5 on July 9, 2016 at block 420,000 and again to 6.25 on May 11, 2020 at block 630,000. The most recent halving for Bitcoin occurred on April 19, 2024 at block 840,000, when the reward was reduced to 3.125. These adjustments have had and will continue to have material effects on the economic viability of mining assets that are in production. These factors could lead to material adverse changes in the market for Bitcoin, which could in turn result in substantial damage to or even the failure of our business. See Item 3. D. “Risk Factors — Risks Related to Cryptocurrency Mining — The cryptocurrency for which we currently mine, Bitcoin, is subject to halving; the cryptocurrency reward for successfully uncovering a block will halve several times in the future and the cryptocurrency’s value may not adjust to compensate us for the reduction in the rewards we receive from our mining efforts.”

### ***Capacity and Efficiency of Mining Machines***

The cryptocurrency mining industry is currently undergoing an arms race in mining technology and increased capacity, as miners need to deploy increasingly sophisticated mining machines in ever greater quantities to remain competitive. While many of our competitors have embraced a “bigger is better” growth strategy, we believe that our commitment to mining efficiency and return on investment in mining machines will remain our competitive advantage. To maintain this competitive advantage over the long term, we must develop and maintain strong relationships across the mining machine supply chain, strategically invest in state-of-the-art mining machines at attractive prices, and effectively manage our fleet as it ages along the obsolescence curve.

### ***Cost and Source of Power***

Mining cryptocurrency is a power-intensive process, with electrical power required both to operate the mining machines and to dissipate the significant amount of heat generated by operating the machines. We believe the combination of the increasing difficulty of successfully mining rewards, driven by greater hashrates, and the periodic adjustment of reward rates, such as the halving of Bitcoin rewards, will drive the increasing importance of power efficiency in cryptocurrency mining over the long term. Moreover, we believe that cryptocurrency miners have a social responsibility to obtain the power required for their operations from clean power sources as much as possible. However, there is no guarantee that we will be able to negotiate these power agreements on these terms, or at all, including for example, due to limitations in availability and fluctuations in the cost of electricity. See Item 3. D. “Risk Factors — Risks Related to Cryptocurrency Mining — We may not be able to secure access to electricity on a sufficiently firm and unrestricted basis or at a price that we are willing to pay” and “Risk Factors — Risks Related to Cryptocurrency Mining — We may be affected by price fluctuations in the wholesale and retail power markets.”

### ***Competition***

Our competitive landscape has evolved significantly as the Bitcoin network has grown in scale and complexity. The era in which individual enthusiasts or small operators could meaningfully contribute to network hashrate has effectively ended. Competition is now driven primarily by large private miners, publicly listed mining companies, and, in some jurisdictions, government-sponsored or state-aligned mining operations. These participants operate industrial-scale facilities with access to substantial capital, long-term power contracts, and increasingly sophisticated infrastructure.

As the industry matures, we are observing consolidation among operators. Participants with access to capital, operational scale, and low-cost power are better positioned to remain competitive, while smaller or under-capitalized miners face increasing pressure. We expect this consolidation trend to continue as network difficulty increases and capital requirements rise.

In addition, Bitcoin mining facilities are increasingly competing with alternative high-density compute uses, particularly artificial intelligence (“AI”) and high-performance computing (“HPC”) data centers. These workloads often generate higher margins than Bitcoin mining and have attracted significant investment from hyperscalers, cloud service providers, and specialized AI infrastructure companies. As a result, certain mining sites and electrical infrastructure may be repurposed or redirected toward AI/HPC applications. This dynamic may reduce the pace of Bitcoin mining capacity growth over time and accelerate consolidation among operators that can continue to mine profitably at scale.

We compete with these large-scale miners and infrastructure operators for power, equipment, capital, and suitable sites. Our ability to remain competitive depends on our scale, operational efficiency, access to capital, and ability to adapt our infrastructure to evolving market conditions.

### Key Indicators of Performance and Financial Condition and Non-IFRS Financial Measures

Key operating and financial metrics that we use, in addition to our IFRS consolidated financial statements, to assess the performance of our business are set forth below for the years ended December 31, 2025, 2024, and 2023, along with the most comparable IFRS measures:

	YEAR ENDED DECEMBER 31,		
	2025	2024	2023
Bitcoin Mined	150	755	1,760
<b>Gross Margin</b>	2 %	3 %	8 %
Mining Profit Margin	19 %	33 %	43 %
Average Total Cost Per Bitcoin Mined	\$ 101,560	\$ 60,372	\$ 26,964
Average Direct Cost Per Bitcoin Mined	\$ 84,193	\$ 41,594	\$ 16,364
<b>Net Income/(Loss) (\$000s)</b>	\$ 5,084	\$ (55,102)	\$ (34,637)
Adjusted EBITDA (\$000s)	\$ (3,638)	\$ 5,956	\$ 7,682

Mining Profit Margin, Average Total Cost per Bitcoin Mined, Average Direct Cost Per Bitcoin Mined, EBITDA, and Adjusted EBITDA are not measures defined by IFRS. Average Total Cost Per Bitcoin Mined equals direct costs divided by total bitcoin mined. The other key measures are defined below.

These measures should not be considered as an alternative to IFRS measures, and they are not necessarily comparable to similarly titled measures used by other companies. As a result, you should not consider these measures in isolation from, or as a substitute analysis for, our gross margin or net income/(loss), as applicable, as determined in accordance with IFRS.

#### **Bitcoin Mined**

We measure the production of our mining activities in a given period as Bitcoin Mined. In 2025 and 2024, Bitcoin Mined included rewards and transaction fees for mining Bitcoin and other cryptocurrencies. We generally exchange forms of cryptocurrency other than Bitcoin into Bitcoin in the period in which such currency is earned. We believe that the number of Bitcoin that we mine is a useful metric for investors to measure our mining activity. The reduction in Bitcoin mined from 2023 to 2024 and 2025 was primarily driven by the impact of the April 2024 halving, which reduced block rewards, together with a reduction in the number of operational mining machines during 2025.

#### **Mining Profit Margin**

We define Mining Profit Margin as the difference between cryptocurrency mining revenue and our direct costs (excluding depreciation of mining equipment), divided by cryptocurrency mining revenue, expressed as a percentage. Mining Profit Margin includes power credits and excludes changes in cryptocurrency. We use this measure, and believe it is meaningful to investors, because it is reflective of the return on marginal investment of mining Bitcoin. In addition, because we have generally recovered the original cost of our mining machines in advance of their thirty-six to forty-eight month accounting depreciation curve, once machines are installed and operating we internally monitor Mining Profit to obtain what we believe to be an accurate reflection of the profitability of our core mining operations. Mining Profit Margin is a supplemental measure of our performance that is not required by, or presented in accordance with, IFRS. This measure should not be considered as an alternative to gross margin determined in accordance with IFRS. The decrease in mining margin from 2023 to 2024 was driven by the halving that occurred in April 2024. The decrease in mining margin from 2024 to 2025 was driven by the halving that occurred in April 2024 and the reduction of machines.

The table below reconciles Mining Profit to gross profit, the most directly comparable IFRS measure:

	YEAR ENDED DECEMBER 31		
	2025	2024	2023
(in \$'000's)			
<b>Gross profit (loss)</b>	287	1,457	3,101
<b>Gross margin</b>	2 %	3 %	6 %
Depreciation of mining equipment	2,605	14,171	18,656
Mining Profit	2,892	15,628	21,757
<b>Mining Profit Margin</b>	19 %	33 %	43 %

#### ***Average Direct Cost per Bitcoin Mined.***

We define the Average Direct Cost per Bitcoin Mined as the total direct costs of mining at both our owned facilities and hosted facilities (excluding depreciation of mining equipment), divided by total Bitcoin Mined over a given period. For mining at owned facilities, direct mining expenses are inclusive of power costs. For mining at hosted facilities, direct mining expenses are inclusive of the all-in hosting fee that is charged as well as any related service fees and profit share. We believe this measure is a useful complement to Mining Profit, as it reflects the average marginal direct cost of each reward earned irrespective of the value of such reward at the time it is earned. Average Direct Cost per Bitcoin Mined excludes the depreciation of mining equipment and so does not reflect the full cost of our mining operations. In addition, Average Direct Cost per Bitcoin Mined or similar non-IFRS measures are utilized by analysts in the cryptocurrency mining industry to compare results across peer companies, and accordingly we believe that excluding the depreciation of mining equipment from Average Direct Cost per Bitcoin Mined is appropriate to facilitate accurate comparisons to the financial performance of other industry participants. Average Direct Cost per Bitcoin Mined is a supplemental measure of our performance that is not required by, or presented in accordance with, IFRS. This measure should not be considered as an alternative to IFRS measures. The increase in average cost per Bitcoin mined reflects the impact of the April 2024 halving, which reduced block rewards (resulting in lower Bitcoin production for a broadly similar power cost base), the aging and reduced efficiency of our mining fleet, and the terms of a new hosting agreement with Merkle in 2025, which included a higher profit share and is reflected within cost of production.

The table below reconciles Average Direct Cost Per Bitcoin Mined to Average Total Cost Per Bitcoin Mined, the most directly comparable IFRS measure:

	YEAR ENDED DECEMBER 31		
	2025	2024	2023
Bitcoin Mined (number of Bitcoin)	150	755	1,760
Total Cost of Bitcoin Mined (\$000s)	15,234	45,560	47,457
Average Total Cost Per Bitcoin Mined (\$)	101,560	60,372	26,964
Depreciation of mining equipment (\$000s)	(2,605)	(14,171)	(18,656)
Direct Cost of Bitcoin Mined (\$000s)	12,629	31,389	28,801
Average Direct Cost Per Bitcoin Mined (\$)	84,193	41,594	16,364

We define EBITDA as our operating income plus depreciation and amortization. As a capital-intensive business, EBITDA removes the cost of depreciation of mining equipment. This metric allows us to monitor the profitability of our underlying business on a current basis, and we believe it provides a useful metric for comparing our performance to those of similar companies.

#### ***Adjusted EBITDA***

Adjusted EBITDA provides this same indicator of Argo's EBITDA from operations but additionally excludes any unrealized foreign exchange gains or losses, stock-based compensation charges, restructuring charges, and other one-time impairments and costs that are not expected to be repeated in order to provide greater insight into the cash flow being produced from our operating business, without the influence of extraneous events.

EBITDA and Adjusted EBITDA are supplemental measures of our performance that are not required by, or presented in accordance with, IFRS. This measure should not be considered as an alternative to operating income/(loss) determined in accordance with IFRS. The table below reconciles Adjusted EBITDA to net income/(loss), the most directly comparable IFRS measure:

	YEAR ENDED DECEMBER 31,		
	2025	2024	2023
(in \$'000's)			
<b>Net income/(loss)</b>	<b>5,084</b>	<b>(55,102)</b>	<b>(34,637)</b>
Interest expense	4,202	6,810	11,556
Depreciation / amortization	3,146	15,024	20,129
Taxation	(412)	340	—
<b>EBITDA</b>	<b>12,020</b>	<b>(32,928)</b>	<b>(2,952)</b>
Impairment of tangible fixed assets	609	31,498	855
Impairment of intangible fixed assets	121	468	1,082
Gain on disposal of intangible fixed assets	(98)	98	(1,166)
Gain on sale of subsidiary and investments	—	842	(36)
Loss on sale of fixed assets	(634)	429	—
Foreign exchange	—	(458)	(1,914)
Restructuring and transaction-related fees	3,822	1,976	4,969
Share based payment charge	2,636	3,759	3,892
Equity accounted loss from associate	—	—	716
Write off of investment	—	—	2,236
Gain on extinguishment of debt	(22,414)	—	—
Investment fair value movement	300	—	—
<b>Adjusted EBITDA</b>	<b>(3,638)</b>	<b>5,684</b>	<b>7,682</b>

#### Supplemental Information

	YEAR ENDED DECEMBER 31,		
	2025	2024	2023
(in \$000's, except "per Bitcoin" figures, Bitcoin price, and deployed miners)			
Number of Bitcoin Mined	150	755	1,760
Total revenue	15,521	47,017	50,558
Non-mining revenue	—	—	—
Mining revenue	15,521	47,017	50,558
Mining revenue per Bitcoin Mined	103,473	62,303	28,726
Average Direct Cost per Bitcoin Mined (excludes depreciation of mining machines)	84,193	41,594	16,364
Average Mining Profit per Bitcoin Mined (excludes depreciation of mining machines)	19,280	20,709	12,362
Average Total Cost per Bitcoin Mined	101,560	60,372	26,964
Average Gross Profit Per Bitcoin Mined	1,913	1,931	1,762
Maximum Bitcoin price during the period (\$) <sup>(1)</sup>	126,279	106,074	44,202
Minimum Bitcoin price during the period (\$) <sup>(1)</sup>	74,424	39,505	16,616
Time-weighted average Bitcoin price during the period (\$) <sup>(2)</sup>	101,669	42,382	28,864
Data miners deployed at the end of the period <sup>(3)</sup>	22,600	26,542	33,750

#### Notes

(1) Source – Closing price of Bitcoin as reported on Coinbase.com

(2) Calculated by taking the yearly average of the daily closing price of Bitcoin as reported on Coinbase.com

(3) Includes all miners contained at our self-mined site at Baie Comeau, miners that were hosted at the Merkle sites and miners contained at our leased sites in Alabama.

## **Components of Our Results of Operations**

### ***Total revenue***

Our revenues primarily consist of cryptocurrency that we mine. In 2023, 2024 and 2025, we principally focused on mining Bitcoin. We participate in mining pools, with the pool's performance obligation being the delivery of cryptocurrency into our wallet once an algorithm has been solved by the pool. Our mining revenue consists of our share of the block reward the pool earns for solving the block, and our share of transaction fees associated with the transactions comprising the block. Our share of the block reward and related transaction fees is determined by the proportion of hash power we contribute toward the pool as a whole. The block reward is pre-determined and hard coded into the protocol governing the relevant blockchain, while the transaction fees are the aggregate fees paid by parties whose transactions are included in the block.

### ***Power and hosting costs***

Direct costs of mining revenue are comprised of power costs and the fees we pay to third parties to host, operate and maintain our mining machines.

### ***Power credits***

The hosting agreement with Galaxy allowed Argo to share in the proceeds from economic curtailment, which occurs when Helios monetizes its fixed-price PPA during periods of high-power prices, following the end of the hosting agreement with Galaxy in December 2024 no power credits were recognised.

### ***Depreciation of mining equipment***

We capitalize the cost of our mining machines and record depreciation expense on a straight-line basis over the estimated useful life of the machines, which is generally 36 to 48 months.

### ***Operating expenses***

General and administrative expenses represent salary and other employee costs, restructuring costs, insurance fees, non-mining depreciation and amortization, legal and professional fees, regulatory fees, consulting fees, foreign exchange gains and losses, and other expenses.

### ***Income tax expense***

We are liable to pay tax in several jurisdictions, including the United Kingdom, Canada and the United States. Our effective tax rate represents the weighted average of the tax rates for which we are liable in those jurisdictions. We did not incur any income tax expense in any of the jurisdictions that we operate.

## Results of Operations

The following table sets forth our results of operations for the years ended December 31, 2025, 2024 and 2023:

(in \$'000's)	2025	2024	2023
Revenues	15,521	47,017	50,558
Power and hosting costs	(12,629)	(32,887)	(35,964)
Power credits	—	1,498	7,163
Depreciation of mining equipment	(2,605)	(14,171)	(18,656)
<b>Gross profit (loss)</b>	<b>287</b>	<b>1,457</b>	<b>3,101</b>
Operating expenses	(11,050)	(12,536)	(18,949)
Gain/ (Loss) on hedging	—	(487)	—
Share based payment charge	(2,636)	(3,759)	(3,892)
<b>Operating profit (loss)</b>	<b>(13,399)</b>	<b>(15,325)</b>	<b>(19,740)</b>
Gain/(loss) on sale of investments	—	(842)	36
Write off of investment	—	—	(2,236)
Loss on disposal of fixed assets	634	(429)	—
Investment fair value movement	(300)	—	—
Finance costs	(4,202)	(6,810)	(11,556)
Other income	157	708	346
Impairment of tangible fixed assets	(609)	(31,498)	(855)
Gain/ (Loss) on disposal of Intangible Assets	98	(98)	1,166
Impairment of intangible fixed assets	(121)	(468)	(1,082)
Equity accounted loss from associate	—	—	(716)
Gain on extinguishment of debt	22,414	—	—
<b>Profit/ (Loss) before taxation</b>	<b>4,672</b>	<b>(54,762)</b>	<b>(34,637)</b>
Income tax expense (recovery)	412	(340)	—
<b>Gain/(Loss) after taxation</b>	<b>5,084</b>	<b>(55,102)</b>	<b>(34,637)</b>
<b>Other comprehensive income</b>			
Currency translation reserve	(490)	(241)	(1,175)
<b>Total comprehensive income (loss)</b>	<b>4,594</b>	<b>(55,343)</b>	<b>(35,812)</b>

### Comparison below of the years ended December 31, 2025 and 2024 (in '000's)

#### Total revenue

Total revenue decreased by \$31,496 to \$15,521 for the year ended December 31, 2025 from \$47,017 for the year ended December 31, 2024. This decrease was primarily driven by the most recent halving for bitcoin which occurred on April 19, 2024 at block 840,000, when the reward was reduced to 3.125. In 2025 we mined 150 bitcoin and realized \$103,473 per bitcoin as compared to 755 and \$62,303 in 2024, respectively.

#### Power and hosting costs

Power and hosting costs decreased by \$20,258 to \$12,629 for the year ended December 31, 2025 from \$32,887 for the year ended December 31, 2024. This decrease in cost is attributable to further optimizing operations at the site and a reduction in the mining fleet following the sale of machines early in 2024.

#### Power credits

The hosting agreement with Galaxy allowed Argo to share in the proceeds from economic curtailment, which occurred when Helios monetized its fixed - price PPA during periods of high - power prices. During the year 2024, Argo generated approximately \$1.5 million in power credits. Following the end of the Galaxy hosting agreement no credits were generated in 2025.

### ***Depreciation of mining equipment***

Depreciation of mining equipment decreased by \$11,566 to \$2,605 for the year ended December 31, 2025 from \$14,171 for the year ended December 31, 2024. This decrease was primarily driven by the lower book value of our machines in 2025 after sale of machines and accounting for impairments in 2024.

### ***Operating expenses***

Operating expenses decreased by \$1,486 to \$11,050 for the year ended December 31, 2025 from \$12,536 for the year ended December 31, 2024. Note 8 of our consolidated financial statements details our operating expenses for 2025 and 2024. The decrease was primarily driven by a focus on reducing non-mining operating expenses; however, overall operating expenses remained broadly consistent year-on-year due to restructuring-related costs incurred during the period.

### ***Impairment of tangible fixed assets***

During 2025, we recorded a \$609k impairment charge (2024 - \$31,498) as a result of difficult mining economics subsequent to the Bitcoin halving in April 2024.

### ***Share based payments***

Share-based payments were \$2,636 for the year ended December 31, 2025, compared to \$3,759 for the year ended December 31, 2024. The year-on-year decrease reflects the reduction in workforce in 2024.

### ***Finance costs***

Interest expense decreased by \$2,608 to \$4,202 for the year ended December 31, 2025 from \$6,810 for the year ended December 31, 2024. This decrease was primarily driven by the significant reduction of debt that occurred in 2024.

### ***Comparison below of the years ended December 31, 2024 and 2023 (in '000's)***

#### ***Total revenue***

Total revenue decreased by \$3,541 to \$47,017 for the year ended December 31, 2024 from \$50,558 for the year ended December 31, 2023. This decrease was driven by the most recent halving for bitcoin which occurred on April 19, 2024 at block 840,000, when the reward was reduced to 3.125 and the sale of machines early 2025. In 2024 we mined 755 bitcoin and realized \$62,303 per bitcoin as compared to 1,760 and \$28,726 in 2023, respectively.

#### ***Power and hosting costs***

Power and hosting costs decreased by \$3,077 to \$32,887 for the year ended December 31, 2024 from \$35,964 for the year ended December 31, 2023. This decrease in cost is attributable to improvements to the facility, further optimizing the operations at the site, as well as utilizing market prices over locked - in power agreements.

#### ***Power credits***

The hosting agreement with Galaxy allowed Argo to share in the proceeds from economic curtailment, which occurred when Helios monetized its fixed - price PPA during periods of high - power prices. During the year, Argo generated approximately \$1.5 million in power credits.

### ***Depreciation of mining equipment***

Depreciation of mining equipment decreased by \$4,485 to \$14,171 for the year ended December 31, 2024 from \$18,656 for the year ended December 31, 2023. This decrease was primarily driven by the lower book value of our machines in 2024 after accounting for impairments in 2023.

### **Operating expenses**

Operating expenses decreased by \$6,413 to \$12,536 for the year ended December 31, 2024 from \$18,949 for the year ended December 31, 2023. Note 8 of our consolidated financial statements details our operating expenses for 2024 and 2023. The decrease over 2024 was primarily driven by a focus on reducing non - mining operating expenses and the sale of the Mirabel facility in March 2024, which decreased the Company's headcount.

### **Impairment of tangible fixed assets**

During 2024, we recorded a \$31,498 impairment charge as a result of difficult mining economics subsequent to the Bitcoin halving in April 2024. In addition, our hosting contract with Galaxy ended at the end of 2024 requiring refurbishment costs to re - host or sell the remaining mining machines.

### **Share based payments**

Share based payments were \$3,759 for the year ended December 31, 2024, consistent with \$3,892 for the year ended December 31, 2023.

### **Interest expense**

Interest expense decreased by \$4,746 to \$6,810 for the year ended December 31, 2024 from \$11,556 for the year ended December 31, 2023. This decrease was primarily driven by the significant reduction of debt that occurred in 2023 and 2024.

## **B. Liquidity and Capital Resources**

Since our inception, we have financed our operations primarily through cash generated by sales of cryptocurrency, sales of equity securities, issuing bonds and incurring debt. In 2023, Bitcoin mining economics improved, allowing us to significantly reduce our debt, deploy additional hashrate capacity in Quebec, and strengthen our balance sheet. Our primary requirements for capital are to finance working capital, capital expenditures and general corporate purposes. We believe that our sources of liquidity and capital resources will be sufficient to meet our existing business needs for at least the next 12 months from the date of this filing. This assessment is supported by the Company's improved capital structure following the completion of the December 2025 restructuring and the availability of committed funding under the \$5.0 million subscription facility with its controlling shareholder, of which \$2.5 million has been drawn subsequent to year end. While the Company has historically incurred operating losses and remains exposed to volatility in Bitcoin prices, management has concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis and no material uncertainty related to going concern has been identified.

For the year ended December 31, 2024, management identified conditions that raised substantial doubt about the Company's ability to continue as a going concern, and the independent registered public accounting firm included an explanatory paragraph in its report in respect of that period.

From time to time, we may raise additional capital through the issuance of debt or equity securities or additional borrowings to the extent required, or to the extent that we believe such capital is available on favorable terms. Our primary sources of liquidity are our cash and cash equivalents.

During the course of 2025 and 2024, our treasury management strategy was to sell our mined cryptocurrency assets on a weekly basis in order to fund our operating expenses and for working capital needs.

On July 19, 2023, the Company raised \$7.5 million of gross proceeds via a non-preemptive placing of 57,500,000 new ordinary shares to both institutional and retail investors in the UK. The proceeds were used for general corporate purposes and to repay a portion of the Galaxy ABS Loan.

On January 8, 2024, the Company raised \$9.9 million of gross proceeds via a non-preemptive placing of 38,064,000 new ordinary shares to institutional investors in the UK. The proceeds were used for general corporate purposes and to repay a portion of the Galaxy ABS Loan.

On March 26, 2024, the Company sold its data center located in Mirabel, Quebec for a total consideration of \$6.1 million. The net proceeds from the transaction were used to first repay the Mirabel Facility's outstanding mortgage of \$1.4 million, with the remainder used to repay debt owed to Galaxy Digital Holdings, Ltd.

On July 31, 2024, the Company raised \$8.4 million of gross proceeds for 57.8 million shares and 57.8 million warrants through a private share placement with an institutional investor.

On December 2, 2024 the Company raised \$5.3 million of gross proceeds via a subscription of 76,900,000 of its ordinary shares by an institution. The net proceeds were used to support strategic plans and working capital needs.

During 2024, the Company sold approximately 8,000 of its mining machines for proceeds of approximately \$2.0 million.

During 2025, the Company significantly strengthened its capital structure and liquidity position. During the period from March to June 2025, the Company sold 8,643 mining machines for total proceeds of approximately \$2.4 million to support liquidity, in addition the Company completed a restructuring which resulted in the elimination of approximately \$40.0 million of baby bond debt, the injection of approximately \$3.5 million of new capital, and the conversion of certain liabilities into equity. Additional information can be found in note 21 to the financial statements.

As at December 31, 2025, the Company's remaining debt consists of a mortgage facility, which is expected to be fully repaid by the end of 2026, after which the Company expects to be debt free. Other liabilities of approximately \$1.2 million outstanding at year end were subsequently settled through the issuance of equity. Subsequent to year end, the Company further strengthened its liquidity position by entering into a \$5.0 million subscription facility with its controlling shareholder, Growler Mining Tuscaloosa LLC, of which \$2.5 million has been drawn as at the date of this filing.

The Company's primary requirements for capital are to fund working capital, capital expenditures and general corporate purposes. Management believes that the Company's current cash resources, together with expected cash flows from operations and committed funding available under the subscription facility, will be sufficient to meet its obligations and support operations for at least the next 12 months from the date of this filing. Accordingly, the consolidated financial statements have been prepared on a going concern basis and no material uncertainty related to going concern has been identified.

The Company continues to actively manage its liquidity through disciplined treasury practices, including the regular monetization of mined cryptocurrency to fund operating expenses and working capital requirements. The Company may, from time to time, seek additional capital through equity or other financing arrangements to support strategic initiatives and enhance financial flexibility, subject to market conditions. The following table summarizes our contractual obligations and other commitments (in thousands) as of December 31, 2025, and the years in which these obligations are due:

	<u>Total</u>	<u>Less than 1 Year</u>	<u>1 – 3 Years</u>
(in '000's)	\$	\$	\$
Mortgage	438	438	—

During the periods presented, we did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

### **Cash Flows**

The table below summarizes our cash flows for the periods presented:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
(in '000's)		\$	\$
Net cash flow from / (used in) operating activities.	(25,006)	(44,798)	(47,956)
Net cash from/(used in) investing activities	17,773	55,067	50,804
Net cash generated from / (used in) financing activities	1,052	(9,324)	(15,778)
Net increase / (decrease) in cash and cash equivalents	(6,329)	902	(12,930)

### ***Operating Activities***

Net cash used in operating activities of \$25,006 in the year ended December 31, 2025 was comprised of our net profit before tax of \$5,084, reduced by working capital changes, digital assets earned and a gain on extinguishment of debt.

Net cash used in operating activities of \$44,798 in the year ended December 31, 2024 was comprised of our net loss before tax of \$54,762, reduced by working capital changes, digital assets earned and impairment of tangible fixed assets.

Net cash used in operating activities of \$47,956 in the year ended December 31, 2023 was comprised of our net loss before tax of \$34,637 and working capital changes, reduced by non-cash addbacks for finance costs, impairments, depreciation, foreign exchange, digital assets earned and investment write offs.

### ***Investing Activities***

Net cash from investing activities in the year ended December 31, 2025 was \$17,773, which was comprised principally of \$15.6 million for the sale of intangible assets and \$2.3 million for the sale of a fixed assets.

Net cash from investing activities in the year ended December 31, 2024 was \$55,067, which was comprised principally of \$47.5 million for the sale of intangible assets and \$6.9 million for the sale of a subsidiary and investment.

Net cash generated from investing activities in the year ended December 31, 2023 was \$50,804, which was comprised principally \$51,866 for the sale of intangible assets and \$1,152 for the purchase of tangible fixed assets.

### ***Financing Activities***

Net cash used in financing activities in the year ended December 31, 2025 was \$1,052 and was comprised principally of \$5.3 million proceeds from borrowing, \$2.3 million of loan and interest payments and (\$1.9) million of net proceeds from common stock issued.

Net cash used in financing activities in the year ended December 31, 2024 was \$9,324 and was comprised principally of \$21.9 million of proceeds from shares issued and \$30.7 million for the payment of debt and interest.

Net cash used in financing activities in the year ended December 31, 2023 was \$15,778, which was comprised principally of \$14,064 of loan repayments and \$10,661 of interest payments, partially offset by \$7,518 of proceeds from shares issued.

### ***Capital Expenditures***

Historically, our capital expenditures have consisted primarily of purchasing mining machines and computer equipment and improvements to the mining facilities in which we operate. In addition to the acquisition of mining machines, our capital expenditures expanded to include acquiring and building mining facilities that we planned to own and operate. Our capital expenditures including mining machine prepayments, net of disposals was \$1.1 million in 2023. There was no capital expenditure in 2024, \$126k was spent on improvements to property in 2025.

### ***C. Research and development, patents and licenses, etc.***

We have developed and may continue to research and develop certain proprietary technologies for purposes of optimizing and enhancing our cryptocurrency mining operations. Research and development have not been significant components of our business and have been immaterial to our financial condition and results of operations, however such activities may become more significant in the future.

## D. Trend Information

Please refer to our disclosures set forth under Item 3.D “Risk Factors,” Item 4 “Information on the Company,” and elsewhere in this Item 5 “Operating and Financial Review and Prospects” for information regarding the material risks, business developments and strategies, factors, and trends that are most likely to affect our business and results of operations through 2026.

## E. Critical Accounting Estimates

The preparation of the Company’s consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as related disclosures. These estimates and underlying assumptions are based on historical experience and other factors that management believes to be reasonable under the circumstances. Although management believes its estimates to be appropriate, actual results may differ from these estimates. The Company does not consider any individual estimate to be critical in the context of its financial statements; however, estimates and assumptions are reviewed on an ongoing basis and are subject to change based on evolving market and operating conditions.

## Item 6. Directors, Senior Management and Employees

### A. Directors and Senior Management

The following table sets forth information regarding our current executive officers and directors, including their ages as of April 24<sup>th</sup>, 2026.

NAME	Age	POSITION(S)
<b>Executive Officers</b>		
Justin Nolan	44	Chief Executive Officer and Executive Director
Charlotte Proctor-Worrall	34	Chief Financial Officer
<b>Non-Executive Directors</b>		
Maria Perrella	60	Director and Chair
Ralfe Hickman	33	Director

The current business address for our executive officers and directors is c/o Argo Blockchain plc, Eastcastle House, 27/28 Eastcastle Street, London, W1W 8DH, England.

### Executive Officers

The following is a brief summary of the business experience of our executive officers.

*Justin Nolan* has served as our Chief Executive Officer since March 22, 2025. Mr. Nolan most recently was Chief Executive Officer at Arkon Energy, a digital infrastructure company. Prior to his role at Arkon Energy, Mr. Nolan served as Chief Growth Officer at Argo. In this capacity, he played a pivotal role in expanding the Company’s operations, including the development of the Helios project. Earlier in his career, Nolan co-founded and led DPN LLC, which was instrumental in the initial development of the Helios project before its acquisition by Argo Blockchain in March 2021. Mr. Nolan graduated from Johns Hopkins University.

Charlotte Proctor-Worrall has served as our Chief Financial Officer since September 22, 2025, having joined the Company in 2021 as Group Financial Controller. Prior to joining Argo, Ms. Proctor-Worrall held senior finance roles in private equity-backed and multinational organizations.

## **Non-Executive Directors**

The following is a brief summary of the business experience of our non-executive board members.

*Maria Perrella* has served on our Board of Directors since July 2021 and as Chair of the Board since June 30, 2025. Ms. Perrella has over 25 years of senior leadership experience. She currently serves as Chief Financial Officer of Samuel, Son & Co., a leading metals distributor and industrial products manufacturer. Previously, she served as Chief Financial Officer of MDA, a Canadian-based international space mission partner, and spent 12 years at Automation Tooling Systems Inc. (TSX: ATA).

Through her various roles, Ms. Perrella has developed extensive expertise in financial planning, corporate governance, and compliance, and her many years as a chief financial officer have provided her with significant experience in mergers and acquisitions, capital markets, and strategic corporate finance. Ms. Perrella holds a Bachelor of Business Administration from the Schulich School of Business at York University and is a Chartered Professional Accountant in Ontario, Canada.

*Ralfe Hickman* has served as a Non-Executive Director of Argo Blockchain plc since December 12, 2025. Mr. Hickman is a senior executive at Pate Holdings Inc, an affiliate of Growler, Argo's controlling shareholder, where he focuses on investment oversight, asset-level operations, and strategic value creation in digital infrastructure and energy-intensive businesses.

Mr. Hickman has extensive experience in corporate finance, restructuring, and operational turnarounds, including the evaluation and management of complex capital structures and distressed assets. He has served in senior investment and board-level roles across multiple portfolio companies and brings experience in governance, capital allocation, and stakeholder management. Mr. Hickman holds a Bachelor of Science in Consumer Science from the University of Alabama.

There are no family relationships among any of our executive officers or directors. There are no agreements or understandings between the directors and members of senior management and any of our major shareholders, customers, suppliers or other persons pursuant to which such directors and members of senior management were selected as directors or members of senior management.

## **Changes to Our Executive Officers and Board of Directors**

Thomas Chippas resigned from his position as Chief Executive Officer and Executive Director, effective January 21, 2025.

Effective January 21, 2025, Jim MacCallum was appointed as Interim Chief Executive Officer, in addition to his role as Chief Financial Officer.

Effective March 22, 2025, Justin Nolan was appointed as Chief Executive Officer and Executive Director.

Effective June 27, 2025, Matthew Shaw resigned from his position as Chairman and Director of the Company.

Effective August 6, 2025, Ragav Chopra resigned from his position as Director of the Company.

Effective September 12, 2025, Jim MacCallum was terminated from his position as Chief Financial Officer.

Effective September 22, 2025, Charlotte Proctor-Worrall was appointed as Chief Financial Officer.

Effective December 12, 2025, Ralfe Hickman was appointed as a Director of the Company.

## B. Compensation

### Executive Officer Remuneration

The aggregate compensation paid or accrued by the Company to its directors and executive officers as a group for the year ended 31 December 2025 was approximately \$1m. Compensation consisted of fixed and variable elements. During 2025, we paid our executive officers a base salary and equity in the form of Restricted Share Units.

Further described in “ - Equity Officer Service Agreements,” Mr. Chippas was entitled to certain employer matching contributions under a 401k plan maintained by the Company during 2024. Mr. Chippas participated in this plan.

### Non-Executive Director Remuneration

The following table presents the individual compensation and benefits provided to our non-executive directors in their capacity as non-executive directors during the fiscal year ended December 31, 2025:

NAME AND PRINCIPAL POSITION	DIRECTOR FEES (\$)
<i>Non-Executive Directors(1)</i>	
Mathew Shaw (through June 27, 2025)	49,520
Raghav Chopra (through August 6, 2025)	90,353
Maria Perrella	141,576
Ralfe Hickman (from December 12, 2025)	—

(1) We reimburse all reasonable expenses incurred by non-employee directors in connection with their service on our board of directors. This would include expenses incurred for attending board or committee meetings. In addition, we provide liability-related insurance and indemnification benefits to our directors.

### Executive Officer Service Agreements

#### *Justin Nolan*

Effective as of March 22, 2025, we entered into an employment contract with Justin Nolan, pursuant to which Mr. Nolan serves as our Chief Executive Officer and an Executive Director (the “Nolan Employment Agreement”). Under the terms of the Nolan Employment Agreement, Mr. Nolan is entitled to receive \$400,000 annually, participate in the Company’s group health benefits on a 90% subsidized basis, participate in the Company’s 401(k) plan, under which the Company provides an employer matching contribution of up to 6% of eligible compensation, and earn an annual bonus equal to up to 100% of his annual base salary, as determined by the board of directors. In addition, Mr. Nolan was awarded 22,250,000 performance share units relating to the Company’s ordinary shares, which vest over three years (with a one-year initial cliff), subject to certain performance conditions.

Under the Nolan Employment Agreement, we may terminate Mr. Nolan’s employment by providing the minimum (i) notice, or pay in lieu thereof, or some combination of the two, (ii) severance pay (if applicable), (iii) period of benefits continuation, and (iv) vacation pay, and in each case subject to payment of severance equal to 12 months’ base salary, except that we may terminate his employment at any time with immediate effect for certain reasons constituting “cause,” including misconduct or criminal offense. Mr. Nolan may terminate his employment by providing the Company with a minimum of 60 days’ notice. The Nolan Employment Agreement also contains restrictive covenants pursuant to which Mr. Nolan has agreed to refrain from competing with us or soliciting certain clients or employees of the Company for a period of 12 months following termination of his employment.

### ***Charlotte Proctor-Worrall***

Effective September 22, 2025, we entered into an employment agreement with Charlotte Proctor-Worrall, pursuant to which she serves as our Chief Financial Officer. The material terms of Ms. Proctor-Worrall's employment agreement are consistent with market-based executive compensation arrangements for similarly situated companies and include base salary, participation in employee benefit plans and eligibility for annual incentive compensation, as determined by the board of directors.

### ***Jim MacCallum***

Effective as of April 5, 2023, we entered into an employment contract with Jim MacCallum, pursuant to which Mr. MacCallum served as our Chief Financial Officer (the "MacCallum Employment Agreement"). Under the terms of the MacCallum Employment Agreement, Mr. MacCallum was entitled to receive \$307,500 annually, participate in the Company's group health benefits on a fully subsidized basis, participate in the Company's Canadian registered retirement savings plan, under which the Company provided an employer matching contribution of up to 6% of eligible compensation, and earn an annual bonus equal to up to 65% of his annual base salary, as determined by the board of directors. In addition, Mr. MacCallum was awarded 3,070,467 restricted share units ("RSUs"), which vested over three years.

Under the MacCallum Employment Agreement, could terminate Mr. MacCallum's employment by providing the minimum (i) notice, or pay in lieu thereof, or some combination of the two, (ii) severance pay (if applicable), (iii) period of benefits continuation, (iv) vacation pay, and (v) other entitlements, if any, as required by the Employment Standards Act of British Columbia (the "ESA"), and in each case subject to payment of severance equal to 12 months' base salary, except that we may terminate his employment at any time with immediate effect for reasons constituting "cause" under the ESA. Mr. MacCallum could terminate his employment by providing the Company with a minimum of 90 days' notice. The MacCallum Employment Agreement also contained restrictive covenants pursuant to which Mr. MacCallum agreed to refrain from soliciting certain clients or employees of the Company for a period of 12 months following termination of his employment.

Effective January 21, 2025, we entered into an interim employment contract with Mr. MacCallum pursuant to which he served as our Interim Chief Executive Officer in addition to his role as Chief Financial Officer (the "2025 MacCallum Employment Agreement"). Under the terms of the 2025 MacCallum Employment Agreement, Mr. MacCallum was entitled to receive \$400,000 annually during his service as Interim Chief Executive Officer and \$330,000 annually when the interim role concluded and he returned to his role as Chief Financial Officer. Mr. MacCallum was entitled to continue participation in the Company's group health benefits and Canadian registered retirement savings plan, and to earn a pro-rated annual bonus equal to up to 100% of his annual base salary for the portion of the year he served as Interim Chief Executive Officer and a pro-rated annual bonus equal to up to 65% of his annual base salary for the portion of the year he served as Chief Financial Officer, as determined by the board of directors. In addition, Mr. MacCallum was awarded 1,500,000 RSUs, which vested upon his return to his role as Chief Financial Officer.

The termination and restrictive covenant provisions of the 2025 MacCallum Employment Agreement were substantially consistent with those contained in the MacCallum Employment Agreement.

Mr. MacCallum's employment with the Company was terminated effective September 12, 2025.

### ***Thomas Chippas***

Effective as of November 27, 2023, we entered into an employment contract with Thomas Chippas, pursuant to which Mr. Chippas served as our Chief Executive Officer and an Executive Director (the "Chippas Employment Agreement"). Under the terms of the Chippas Employment Agreement, Mr. Chippas was entitled to receive \$400,000 annually, participate in the Company's group health benefits on a 90% subsidized basis, participate in the Company's 401(k) plan, under which the Company provided an employer matching contribution of up to 6% of eligible compensation, and earn an annual bonus equal to up to 100% of his annual base salary, as determined by the board of directors. In addition, at the time of his appointment, Mr. Chippas was awarded 2,850,000 ADSs, which were to vest over three years (with a one-year initial cliff), subject to certain performance conditions and continued employment.

Under the Chippas Employment Agreement, we could terminate Mr. Chippas' employment by providing the minimum (i) notice, or pay in lieu thereof, or some combination of the two, (ii) severance pay (if applicable), (iii) period of benefits continuation, and (iv) vacation pay, and in each case subject to payment of severance equal to 12 months' base salary, except that we may terminate his employment at any time with immediate effect for reasons constituting "cause." Mr. Chippas could terminate his employment by providing the Company with a minimum of 60 days' notice. The Chippas Employment Agreement also contains restrictive covenants pursuant to which Mr. Chippas agreed to refrain from competing with us or soliciting certain clients or employees of the Company for a period of 12 months following termination of his employment.

Mr. Chippas resigned from his positions as Chief Executive Officer and Executive Director effective January 21, 2025. Mr. Chippas did not receive a settlement in connection with his separation.

### **Non-Executive Director Letter Agreements**

We have entered into service contracts with our directors for their services, which are subject to a three-month termination period. There are no arrangements under which any non-executive director is entitled to receive compensation upon the early termination of his or her appointment.

### **Equity Compensation Arrangements**

We have granted, and may in the future grant, equity awards under our 2022 Equity Incentive Plan (the "2022 Plan"). We previously maintained equity incentive plans adopted in 2018 and 2021 (together, the "Legacy Plans"), including certain sub-plans established for jurisdictional or tax purposes. No new awards are granted under the Legacy Plans.

#### **The 2022 Plan**

Our board of directors adopted the 2022 Plan effective June 29, 2022, the date on which the 2022 Plan was approved by the Company's shareholders. The 2022 Plan was amended and restated effective March 7, 2023.

#### **Eligibility, Awards and Administration**

Employees, including executive directors of the Company and its subsidiaries, are eligible to participate in the 2022 Plan. Under the 2022 Plan, our board of directors may grant non-qualified stock options, share appreciation rights, restricted share awards, restricted share unit awards, performance share awards and other equity-based awards. The 2022 Plan is intended to align the interests of award recipients with those of our shareholders, to attract and retain key personnel and to motivate participants to act in the long-term best interests of the Company.

The 2022 Plan is administered by our board of directors, which has authority to interpret the plan, adopt rules and regulations relating to its administration and make all determinations necessary for its operation. Our board of directors may delegate its authority to a subcommittee to the extent permitted by law.

#### **Vesting, Exercise and Clawback**

The vesting schedule for each award granted under the 2022 Plan is specified in the applicable award agreement. For awards granted to executive directors, vesting must be subject to the achievement of pre-set performance conditions assessed over a period of at least one year.

Awards granted under the 2022 Plan, and any cash payments or shares delivered pursuant to such awards, are subject to forfeiture, recovery or other adjustment in accordance with the terms of the applicable award agreement and any clawback or recoupment policy adopted by the Company. Circumstances in which such recoupment may apply include, without limitation, serious misconduct, material misstatement or restatement of the Company's financial results or significant reputational harm to the Company.

Upon vesting, stock options generally remain exercisable until the tenth anniversary of the grant date, subject to earlier termination upon cessation of the optionholder's service to the Company. Unless otherwise provided in the applicable award agreement, vested options may be exercised for a limited period following termination of service, generally ranging from 90 days to 12 months depending on the reason for termination.

### Adjustments and Change in Control

In the event of an equity restructuring or similar transaction, including a share split, share consolidation, share dividend or recapitalization, appropriate equitable adjustments will be made to outstanding awards and to the number of shares available for grant under the 2022 Plan.

In the event of a change in control of the Company, the board of directors may provide for accelerated vesting, deemed satisfaction of performance conditions, equitable substitution of awards or cancellation and cash settlement of awards, in each case in accordance with the terms of the 2022 Plan and applicable award agreements.

### Amendment and Termination

Our board of directors may amend or terminate the 2022 Plan at any time, subject to shareholder approval where required by applicable law, rule or regulation. No amendment may materially impair the rights of a holder of an outstanding award without such holder's consent. The 2022 Plan will terminate on June 29, 2032, unless terminated earlier by our board of directors.

### Legacy Plans

The Company previously maintained equity incentive plans adopted in 2018 and 2021, including certain sub-plans established for jurisdictional or tax purposes. No new awards are granted under these Legacy Plans. Certain options and warrants issued under the Legacy Plans remain outstanding; however, following the Company's UK Restructuring, such awards are deeply out of the money, do not have material economic value and are not expected to be exercised. The Company does not currently operate, and does not intend to operate, any equity incentive arrangements under the Legacy Plans.

The following table summarizes the number of RSUs, PSUs, and options granted to executive officers and non-executive directors as of December 31, 2025<sup>(1)</sup>:

NAME	ORDINARY SHARES RSUs / PSUs	ORDINARY SHARES UNDERLYING OPTIONS	EXERCISE PRICE PER ORDINARY SHARE (£)	GRANT DATE	EXPIRATION DATE (IF APPLICABLE)
<b>Executive officers</b>					
Justin Nolan	—	—	n/a	—	n/a
Charlotte Proctor-Worrall	—	—	n/a	—	n/a
<b>Non-executive directors</b>					
Ralfe Hickman	—	—	—	—	n/a
Maria Perella	—	500,000	1.57	9/22/2021	9/21/2031

(1) Following the implementation of the Company's UK Restructuring in December 2025, the Company's outstanding RSUs, PSUs and options remain outstanding but are deeply out of the money and no longer have material economic value and are not expected to be exercised.

### Pension, Retirement or Similar Benefits

As of December 31, 2025 we support the following pension related benefits: employees located in the UK receive 6% in pension contributions, employees located in Canada receive the mandatory Canada Pension Plan percentage, along with a 6% employer match for the Company Canadian registered retirement savings plan, and employees located in the U.S. receive a 6% employer match for the Company 401K plan.

## **C. Board Practices**

### **Composition of our Board of Directors**

As of December 31, 2025, our board of directors was composed of three members. As a foreign private issuer, under the listing requirements and rules of Nasdaq, we are not required to have a majority of independent directors on our board of directors, provided that our audit committee satisfies the independence requirements applicable to foreign private issuers.

Our board of directors has determined that Maria Perrella qualifies as an independent director under applicable Nasdaq rules and meets the independence requirements of Rule 10A-3 under the Exchange Act. The board has not made independence determinations with respect to other directors for purposes of Nasdaq rules, as such determinations are not required given the Company's foreign private issuer status.

### **Committees of our Board of Directors**

Our board of directors currently maintains a single standing committee: the Audit Committee.

Following the Company's delisting from the London Stock Exchange and in light of its status as a foreign private issuer, the board determined that it was no longer necessary or appropriate to maintain separate remuneration or nominating and corporate governance committees. Matters previously overseen by those committees are now handled directly by the full board of directors.

### **Audit Committee**

The Company's Audit Committee currently consists of a single independent director, Maria Perrella, who serves as Chair of the Audit Committee. The board has determined that Ms. Perrella qualifies as an "audit committee financial expert" as defined by applicable SEC rules and satisfies the financial literacy and independence requirements of Rule 10A-3 under the Exchange Act and the applicable Nasdaq listing standards for foreign private issuers.

The Audit Committee is responsible for, among other things:

- the appointment, compensation, retention, oversight and termination of the Company's independent registered public accounting firm;
- pre-approving all audit and permitted non-audit services to be provided by the independent auditor;
- evaluating the qualifications, performance and independence of the independent auditor;
- reviewing and discussing with management and the independent auditor the Company's financial statements and financial reporting process;
- reviewing the adequacy and effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures;
- approving or ratifying related person transactions in accordance with the Company's related person transaction policy; and
- reviewing and recommending amendments to the Company's Code of Business Conduct and Ethics.

The Audit Committee meets as frequently as it determines necessary to carry out its responsibilities and meets at least annually with the Company's independent auditor without management present.

## Remuneration and Nominating Matters

The Company does not maintain a separate remuneration committee or nominating and corporate governance committee. Executive compensation matters, director nominations, board composition and corporate governance matters are considered and approved by the full board of directors.

### Terms of Directors

Our directors are not subject to a term of office and will hold office until such time as they are removed from office by ordinary resolution of the shareholders or by the board of directors. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; or (ii) is found by our Company to be or becomes of unsound mind. See Item 6. A. "Directors and Senior Management" for additional information about our current directors and Item 7. B. "Related Party Transactions" for additional information about employment agreements for our executive officers.

### D. Employees

As of December 31 of the years ended 2025, 2024 and 2023, we had 13, 22, and 32 employees, respectively, not inclusive of non-executive directors. Below is a breakdown of employees by their departments as of December 31, 2025.

Department	Number of employees	% of total
Research and development and technology	2	16
Compliance, legal and finance	5	38
Business and customer support	1	8
Operations	5	38
<b>Total</b>	<b>13</b>	<b>100 %</b>

### E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of 29 April, 2026 for:

- each beneficial owner of 5% or more of our outstanding ordinary shares;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include ordinary shares issuable upon the exercise of options that are immediately exercisable or exercisable within 60 days of 29 April, 2026. Percentage ownership calculations are based on ordinary shares outstanding as of 29 April, 2026.

Except as otherwise indicated, all of the shares reflected in the table are ordinary shares and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. The information is not necessarily indicative of beneficial ownership for any other purpose.

Except as otherwise indicated in the table below, addresses of the directors, executive officers and named beneficial owners are of Argo Blockchain plc, Eastcastle House, 27/28 Eastcastle Street, London, England W1W 8DH.

NAME OF BENEFICIAL OWNER	NUMBER OF ORDINARY SHARES BENEFICIALLY OWNED	PERCENTAGE OF ORDINARY SHARES BENEFICIALLY OWNED
<b>5% or Greater Shareholders:</b>		
Growler Mining Tuscaloosa, LLC	316,211,377,242	88.59 %
<b>Executive Officers and Directors:</b>		
Justin Nolan	*	*
Charlotte Proctor-Worrall	*	*
Ralfe Hickman	*	*
Maria Perrella	*	*

\* Represents beneficial ownership of less than 1%.

In accordance with our Articles of Association, the following summarizes the rights of holders of our ordinary shares:

- each holder of our ordinary shares is entitled to one vote per ordinary share on all matters to be voted on by shareholders generally;
- each holder of the ordinary shares is entitled to receive notice of, attend, speak and vote at our general meetings; and
- each holder of our ordinary shares is entitled to receive such dividends as are recommended by our directors and declared by our shareholders.

### Restricted Stock Units

The Company has previously granted restricted stock unit (“**RSU**”) awards as part of its employee compensation arrangements. RSUs historically represented the right to receive the Company’s ordinary shares at a future date, subject to the satisfaction of vesting conditions, including continued service. Following the UK Restructuring, outstanding RSUs no longer have material economic value and were canceled.

### Performance Stock Units

The Company has previously granted performance share unit (“**PSU**”) awards as part of its long-term incentive compensation arrangements. PSUs historically represented the right to receive the Company’s ordinary shares at a future date, subject to vesting conditions and the achievement of specified performance criteria over the applicable performance period. Following the UK Restructuring, outstanding PSUs no longer have material economic value and were canceled.

### Options

As of December 31, 2025, certain options to purchase ordinary shares remained outstanding; however, following the UK Restructuring, such options are deeply out of the money, no longer have material economic value and are not expected to be exercised.

For a description of the Company’s equity compensation arrangements, see Item 6.B. “Equity Compensation Arrangements.”

### Warrants

As of December 31, 2025, certain warrants to purchase ordinary shares remained outstanding; however, following the UK Restructuring, such warrants are deeply out of the money, no longer have material economic value and are not expected to be exercised.

**F. Disclosure of a registrant's action to recover erroneously awarded compensation.**

Not applicable.

**G. Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act, as amended by the Holding Foreign Insiders Accountable Act (the "HFIAA"), requires the Company's directors and executive officers to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Pursuant to the HFIAA, these requirements became applicable to directors and executive officers of foreign private issuers effective March 18, 2026. During the fiscal year ended December 31, 2025, Section 16(a) reporting requirements were not applicable to the Company as a foreign private issuer. Following the March 18, 2026, effective date, certain initial reports on Form 3 are in the process of being filed as the Company and its directors and executive officers work to comply with the new requirements.

**Item 7. Major Shareholders and Related Party Transactions**

**A. Major Shareholders**

To the best of the Company's knowledge, following the issuance of shares in March 2026 pursuant to a subscription facility agreement (the "**Subscription Facility**") with Growler, as of 29 April 2026, Growler Mining Tuscaloosa, LLC ("**Growler**") beneficially owns approximately **88.59%** of the Company's issued and outstanding ordinary shares. As of 29 April 2026, there were 31,611,377,242 ordinary shares of the Company issued and outstanding.

As a result of this ownership position, Growler is able to exercise significant control over matters requiring shareholder approval, including the election and removal of directors, approval of significant corporate transactions and other matters submitted to shareholders for approval.

Other than Growler, no shareholder is known by the Company to beneficially own 5% or more of the Company's issued and outstanding ordinary shares.

The Company is not directly or indirectly owned or controlled by any foreign government. Except as described above, the Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company.

**B. Related Party Transactions**

The following is a description of our related party transactions since January 1, 2022.

Certain of these related party transactions relate to former directors and members of the management team during their time with the Company.

**Agreements with Board Members and Executive Officers**

**Executive Officer Service Agreements**

The Company has entered into service agreements with certain of its current and former executive officers, including Thomas Chippas, Jim MacCallum, Justin Nolan and Charlotte Proctor-Worrall. See Item 6.B. "Executive Officer Service Agreements."

**Non-Executive Director Letter Agreements**

We have entered into service contracts with our directors for their services, which are subject to a three-month termination period. There are no arrangements under which any non-executive director is entitled to receive compensation upon the early termination of his or her appointment.

## **Transactions with Controlling Shareholder**

As disclosed elsewhere in this Annual Report, Growler Mining Tuscaloosa, LLC is our controlling shareholder. In March 2026, the Company entered into the Subscription Facility with Growler, pursuant to which Growler agreed to provide up to \$5.0 million in equity financing to the Company. The Company received \$2.5 million in initial proceeds upon execution of the Subscription Facility and may access up to an additional \$2.5 million, subject to the terms and conditions set forth therein.

The subscription price for each drawdown under the Subscription Facility is based on the average Nasdaq Official Closing Price of the Company's American Depositary Shares over a specified period, subject to a minimum price of \$1.00 per ADS. The Subscription Facility has a term through March 2027, unless extended by mutual agreement of the parties.

The Subscription Facility also provided for the conversion into equity of certain prior payments made by or on behalf of Growler (the "True-Up Conversion"). As a result of the initial drawdown under the Subscription Facility and the True-Up Conversion, Growler increased its ownership in the Company to approximately 88.59% of the Company's issued and outstanding ordinary shares. Each drawdown under the Subscription Facility is subject to certain conditions, including approval by the Company's board of directors.

## **Related Person Transaction Policy**

Our board of directors has adopted a written statement of policy regarding transactions with related persons (the "Related Person Policy"). Our Related Person Policy requires that a "related person" (as defined in paragraph (a) of Item 404 of Regulation S-K) promptly disclose to the board of directors any "related person transaction," defined as any transaction or any material amendment or modification to an existing related person transaction that is not in the ordinary course of business and not on normal market terms, in which we were or are to be a participant and in which any related person has or will have a direct or indirect material interest, together with all material facts with respect thereto.

No related person transaction may be executed without the approval or ratification of our board of directors or a duly authorized committee thereof. It is our policy that directors interested in a related person transaction will recuse themselves and abstain from discussion and voting on the approval of such transaction.

### ***C. Interests of experts and counsels***

Not applicable.

## **Item 8. Financial Information**

### ***A. Consolidated Statements and Other Financial Information***

See Item 18. "Financial Statements" for the annual consolidated financial statements including the notes thereto and report of its independent registered public accounting firm.

### **A.7. Legal Proceedings**

From time to time, we may become involved in legal or regulatory proceedings, lawsuits and other claims arising in the ordinary course of business. We were previously subject to a class action lawsuit (Murphy vs. Argo Blockchain plc) which was dismissed with prejudice and without the ability to replead the case, however, we may again be the target of this type of litigation in the future. In view of the inherent difficulty of predicting the outcome of such matters, we cannot state what the eventual outcome of any other matters that we may become involved in will be. The Company is currently subject to a claim brought by a former employee in connection with his termination. While the Company does not expect this matter to have a material adverse effect on its financial condition or results of operations, there can be no assurance as to the outcome. Based on our knowledge, we are not presently a party to any other legal proceedings that, in the opinion of our management, would individually or taken together as a whole would have a material adverse effect on our business, operating results, financial condition, or cash flows. Regardless of outcome, litigation can have an adverse impact on the Company due to defense and settlement costs, diversion of management resources, negative publicity and reputational harm, and other factors.

## **A.8. Dividends**

We have never declared or paid any cash dividends on our ordinary shares. We intend to retain earnings, if any, for use in our business and do not anticipate paying any cash dividends in the foreseeable future. Under current English law, a company's accumulated realized profits must exceed its accumulated realized losses (on a non-consolidated basis) before dividends can be declared and paid. Therefore, we must have distributable profits before declaring and paying a dividend. In addition, as a public limited company incorporated in England and Wales, we will only be able to make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and undistributable reserves and if, and to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate.

## **B. Significant Changes**

Except as disclosed in this annual report on Form 20-F, no significant changes have occurred since December 31, 2025, the date of the financial statements included in this Annual Report on Form 20-F.

### **Item 9. The Offer and Listing**

Not applicable except for Item 9.A.4 and Item 9.C.

The Company's American Depositary Shares ("ADSs") are listed on the Nasdaq Capital Market under the symbol "ARBK." The Company's ordinary shares are not listed on any securities exchange. The Company does not have any debt securities listed on any securities exchange.

### **Item 10. Additional Information**

#### **A. Share Capital**

Not applicable.

#### **B. Memorandum and Articles of Association**

The information set forth under "Articles of Association" on page 117 of the Company's registration statement on Form F-1 (File Number 333-258926), effective September 22, 2021 is incorporated herein by reference.

#### **Articles of Association**

##### ***Shares and Rights Attaching to Them***

###### *Objects*

The objects of our Company are unrestricted.

###### *Share Rights*

Subject to the Companies Act and any rights attaching to shares already in issue, our shares may be issued with or have attached to them any rights and restrictions as we may by ordinary resolution of the shareholders determine or, in the absence of any such determination, as our board of directors may determine.

###### *Voting Rights*

Subject to the provisions of the Companies Act and any restrictions imposed in our Articles of Association and any rights or restrictions attached to any class of shares of our share capital, the general voting rights attaching to the shares are that on a poll every shareholder present in person or by proxy and entitled to vote has one vote for every share of which he is a holder.

### *Restrictions on Voting*

No shareholder shall be entitled to be present or to be counted in the quorum or vote, either in person or by proxy, at any general meeting or at any separate class meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by the shareholders in relation to the meeting or poll, unless all calls or other monies due and payable in respect of the shareholder's shares have been paid up.

The board of directors may from time to time make calls upon the shareholders in respect of any money unpaid on their shares and each shareholder shall (subject to at least 14 clear days' notice specifying the time or times and place of payment) pay at the time or times so specified the amount called on their shares.

If a shareholder or a person appearing to be interested in shares held by that shareholder has been issued with a notice under section 793 of the Companies Act ("Section 793 Notice") by the Company and has failed in relation to those shares ("Default Shares" which expression includes any shares issued after the date of such notice in right of those shares) and has failed to respond to the Section 793 Notice by not providing the information required within 14 days following the date of service of the notice, the member holding the Default Shares shall not be entitled in respect of the Default Shares to be present or to vote (either in person or representative or proxy) at a general meeting or a separate meeting of the holders of the same class of shares, or on a poll or to exercise other rights conferred by virtue of being a shareholder of the Company. The restriction on voting shall cease to apply : (i) if the shares are transferred by means of an excepted transfer but only in respect of the shares transferred; or (ii) at the end of the period of seven days (or such shorter period as the board of directors may determine) following receipt by the Company of the information required by the Section 793 Notice and the board of directors being fully satisfied that such information is full and complete.

### *Dividends*

We may, subject to the provisions of the Companies Act and the Articles of Association, declare dividends out of profits available for distribution in accordance with the respective rights and priorities of the shareholders and no such dividend shall exceed the amount recommended by the board of directors.

Subject to the rights or privileges attached to any shares carrying a preferential or special rights to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares and shall be apportioned and paid pro rata according to the amounts paid up on the shares during any part of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it carried any particular dividend rights, such share will rank for the dividend accordingly.

Subject to the provisions of the Companies Act and the Articles of Association, the board of directors may from time to time pay shareholders such interim dividends as appears to the board of directors to be justified by the profits available for distribution. If the share capital is divided into different classes, the board of directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The board of directors may also pay half yearly, or at other suitable intervals to be settled by them, any fixed rate dividend if in the opinion of the board of directors the distributable profits justify the payment and if permitted by the Companies Act.

The board of directors may deduct from any dividend or other money payable to any person on or in respect of a share all such sums as may be due from such shareholder to the Company on account of calls or otherwise in relation to the shares of the Company.

Subject to any special rights attaching to or the terms of issue of any share, no dividend or other moneys payable by us on or in respect of any share shall bear interest against us. Any dividend unclaimed after a period of 12 years from the date such dividend became due for payment shall, if the board of directors so resolve, be forfeited and shall revert to us absolutely.

Dividends may be declared or paid in any currency and the board of directors may decide the rate of exchange for any currency conversions that may be required, and how any costs involved are to be met.

The board of directors may, by ordinary resolution of the Company, direct (or in the case of an interim dividend may without the authority of an ordinary resolution direct) that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways. Dividends may be declared or paid in any currency and the board of directors may decide the rate of exchange for any currency conversions that may be required, and how any costs involved are to be met.

If a notice in respect of an excepted transfer has been served on a shareholder by the Company who holds at least 0.25% in nominal value of the issued shares of their class, the payment of any dividend declared and which is payable in respect of the Default Shares will be withheld by the Company, and no interest will be payable on it, and the shareholder is not entitled to elect to receive shares instead of the dividend. The withholding of the dividend shall cease to apply seven days after the earlier of receipt by the Company of (i) notice of registration of an excepted transfer of the Default Shares and (ii) all information required by the Section 793 Notice, in a form satisfactory to the board of directors of the Company, in relation to any Default Shares.

#### *Change of Control*

There is no specific provision in our Articles of Association that would have the effect of delaying, deferring or preventing a change of control.

#### *Depositary Arrangements*

The Articles of Association have been amended to provide for depositary arrangements and allow for the operation of the deposit agreement with the depositary, as well as a number of amendments that have been made to the Articles of Association to facilitate the acquisition of stock through ADRs, including a requirement to vote on poll.

#### *Distributions on Winding Up*

If the Company is wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution, divide among the shareholders whose names are entered on the register of members of the Company at the date of winding up, in specie or kind the whole or any part of the assets of the Company. Whether or not the assets consist of property of one kind or of different kinds the liquidator can set such value as he deems fair upon any one or more class or classes of property and can determine how such division is carried out as between such members or different classes of members. If any such division shall be other than in accordance with the existing rights of such members, every member shall have the same right of dissent and other ancillary rights as if the resolution were a special resolution passed in accordance with section 110 of the Insolvency Act 1986. The liquidator may also, with the authority of a special resolution, vest any part of the assets in trustees upon such trusts for the benefit of such members as the liquidator thinks fit. The liquidation of the Company may then be closed and the Company dissolved, but no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

#### *Variation of Rights*

Subject to the provisions of the Companies Act, whenever the share capital is divided into different classes of shares, all or any of the rights or privileges attached to any class may, whether or not the Company is being wound up, be modified, varied, extended, abrogated or surrendered either in the manner provided by such rights or (in the absence of such provision) with the written consent of the shareholders of at least three-fourths in nominal value of the issued shares of that class (excluding any shares held as treasury shares) or by special resolution passed at a separate general meeting of the holders of such shares. The Companies Act provides a right to object to the variation of the share capital by the shareholders who did not vote in favor of the variation. Should an aggregate of 15% of the shareholders of the issued shares in question apply to the court within 21 days of consent being given to the variation to have the variation cancelled, the variation shall have no effect unless and until it is confirmed by the court.

### *Alteration to Share Capital*

We may, by ordinary resolution of shareholders, consolidate and divide all or any of our share capital into shares of larger nominal value than our existing shares, or sub-divide our shares or any of them into shares of a smaller nominal value. We may, by special resolution of shareholders, confirmed by the court, reduce our share capital or any capital redemption reserve or any share premium account in any manner authorized by the Companies Act. We may redeem or purchase all or any of our shares (provided at least one non-redeemable share is in issue following a reduction in capital) as described in “- Other UK Law Considerations - Purchase of Own Shares.”

### *Preemption Rights*

In certain circumstances, our shareholders may have statutory preemption rights under the Companies Act in respect of the allotment of new shares as described in “- Preemptive Rights” and “- Differences in Corporate Law - Preemptive Rights” in this section.

### **Transfer of Shares**

Any certificated shareholder may transfer all or any of his shares by an instrument of transfer in writing in any usual or common form or in any other manner approved by the board of directors. Any written instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee.

All transfers of uncertificated shares shall be made in accordance with and subject to the provisions of the Uncertificated Securities Regulations 2001 and the facilities and requirements of its relevant system. The Uncertificated Securities Regulations 2001 permit shares to be issued and held in an uncertificated form and transferred by means of a computer-based system.

The board of directors may decline to register any transfer of any share held in certificated form unless:

- it is for a share which is fully paid up;
- it is for a share upon which the Company has no lien;
- it is only for one class of share;
- it is in favor of not more than four joint transferees;
- it is duly stamped (if required);
- it being subject to an excepted transfer, is:
- pursuant to a takeover offer for the Company as defined in section 974 of the Companies Act;
- as a consequence of a sale made through Nasdaq or a recognized investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside of the United Kingdom on which shares in the capital of the Company are normally traded; or
- a transfer which is shown to the satisfaction of the board of directors of the Company to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the shareholder and with any other person appearing to be interested in the shares,
- it is lodged at our registered office or such other place as the board of directors may decide, accompanied by the certificate for shares to which it relates (except in the case of a transfer by a recognized person to whom the certificate and to whom a certificate was issued) and such other evidence (if any) as the board of directors may reasonably require to prove the title of the transferor or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

## **Shareholder Meetings**

### *Annual General Meetings*

In accordance with the Companies Act, we are required each year to hold an annual general meeting in addition to any other general meetings in that year and to specify the meeting as such in the notice convening it. The annual general meeting shall be convened whenever and wherever the board of directors sees fit, subject to the requirements of the Companies Act, as described in “- Differences in Corporate Law - Annual General Meeting” and “- Differences in Corporate Law - Notice of General Meetings” below. In addition, customary amendments have been made to the Articles of Association to provide for hybrid and electronic meetings of the members at which members can participate from more than one location.

### *Notice of General Meetings*

The arrangements for the calling of general meetings are described in “- Differences in Corporate Law - Notice of General Meetings” below.

### *Quorum of General Meetings*

No business shall be transacted at any general meeting unless a quorum is present. Except as otherwise provided by the Articles of Association, at least two shareholders present in person or by proxy or as a representative of a corporation which is a shareholder and entitled to vote shall be a quorum for all purposes. If within half an hour from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall be adjourned to the same day in the next week at the same time and place, or to such other day at any such other time and place as the board of directors may determine. If at an adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the member or members present in person or by proxy and entitled to vote will have the power to decide upon all matters that could properly have been disposed of at the meeting as originally convened.

### *Class Meetings*

The provisions in our Articles of Association relating to general meetings apply to every separate general meeting of the holders of a class of shares except that:

- the quorum for such class meeting shall be two holders in person or by proxy representing not less than one-third in nominal value of the issued shares of the class (excluding any shares held in treasury); and
- if at any adjourned meeting of such holders a quorum is not present at the meeting, one holder of shares of the class present in person or by proxy at an adjourned meeting constitutes a quorum.

## **Directors**

### *Number of Directors*

Our board of directors is not subject to any maximum but shall not have less than two directors. We may, by ordinary resolution of the shareholders, vary the minimum and/or determine a maximum number of directors from time to time.

### *Retirement and Appointment of Directors*

If a director was appointed by the board of directors, at the next annual general meeting after his appointment, he shall retire from office and be eligible for reappointment. At the third annual general meeting after an annual general meeting or general meeting at which the director was appointed or reappointed, such director will retire from office and be eligible for reappointment.

Any director who has held office with us (other than employment or executive office) for nine years or more as at the date of any annual general meeting, will be subject to reappointment at each annual general meeting.

The shareholders may, at the meeting at which a director retires, fill the vacated office by electing a person and in default the retiring director shall, if willing to continue to act, be deemed to have been reappointed, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such director shall have been put to the meeting and lost.

No person other than a director retiring, by rotation or otherwise, may be appointed or reappointed as a director at any general meeting unless: (i) he is recommended by the directors for appointment or not fewer than seven nor more than 42 clear days before the date of the meeting; and (ii) we receive notices in writing given by (a) a shareholder duly qualified to be present and to vote at that meeting, containing his intention to propose the person for appointment stating the required particulars for the purposes of our register of directors; and (b) the person proposed as a director stating his willingness to be elected.

At a general meeting, a motion for the appointment of two or more persons as directors by a single resolution will be void unless a resolution that it is so made has been first agreed to by the meeting without any vote being given against it.

We and our board of directors each have the power to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing board of directors but so that the total number of directors does not exceed the maximum number fixed by or in accordance with our Articles of Association. Any director so appointed by the board of directors shall retire from office at the next annual general meeting. Such a director is eligible for election at that meeting but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at such meeting.

The board of directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.

#### *Directors' Interests*

A director may hold any other office or employment with the Company, other than the office of auditor, in conjunction with his office of director and may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the board of directors may determine.

Subject to the provisions of the Companies Act and the Articles of Association, no director or intended director is disqualified by his office from contracting with the Company either with regard to his tenure or any other office or employment, or as seller, purchaser or otherwise. No such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way, whether directly or indirectly, interested, is liable to be avoided, nor is any director so contracting or being so interested obliged to account to the Company for any profit realized from any such contract or arrangement by reason of the director holding that office or of his fiduciary relationship with the Company.

Any director may continue to be or become a director or other officer, employee or member of or otherwise interested in any other company promoted by the Company or in which the Company may be interested, as a seller, member or otherwise, or which is a holding company of the Company or a subsidiary of any such holding company. No such director is accountable for any remuneration or other benefits received by him as a director or other officer or member of, or from his interest in, any such other company. The board of directors may exercise the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by the directors of such other company, in such manner in all respects as they think fit, subject to any relevant restrictions set out in the Articles of Association.

A director who is in any way, whether directly or indirectly, interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement, with the Company must declare the nature of his interest at a meeting of the board of directors. In the case of a proposed contract, transaction or arrangement, the declaration must be made at the meeting of the board of directors at which the question of entering into the contract, transaction or arrangement is first taken into consideration or, if the director was not at the date of that meeting interested in the proposed contract, transaction or arrangement, at the next meeting of the board of directors held after he became so interested. In the case where the director becomes interested in a contract, transaction or arrangement after it is made, the declaration must be made at the first meeting of the board of directors held after the director becomes so interested. In a case where the director is interested in a contract, transaction or arrangement which has been made before he was appointed a director, the declaration must be made at the first meeting of the board of directors held after he is so appointed.

Except as provided in the Articles of Association, a director shall not vote at a meeting of the board of directors or of a committee of the board of directors on any resolution concerning a matter in which he has a material interest (other than an interest in shares or debentures or other securities of or in the Company) and which conflicts or may conflict with the interests of the Company. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

Notwithstanding the foregoing, a director shall be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

- the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- any proposal concerning an offer of shares of debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant as a holder of such shares, debentures or other securities or in its underwriting of sub-underwriting;
- any contract, arrangement or transaction or other proposal concerning any other company in which he holds an interest not representing 1% or more of any class of the equity share capital (calculated exclusive of any shares of that class held as treasury shares) of such company, or of any third company through which his interest is derived, or of the voting rights available to members of the relevant company, any such interest being deemed to be a material interest in all circumstances;
- any contract, arrangement or transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by HM Revenue & Customs;
- any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a scheme for enabling employees including full time executive directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries, which does not award him any privilege or benefit not awarded to the employees to whom such scheme relates; or
- any contract, arrangement, transaction or other proposal concerning the insurance which the Company proposes to maintain or purchase for the benefit of the directors or for the benefit of persons including the directors.

If a question arises at a meeting as to the materiality of a director's interests or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting, and his ruling in relation to the other director shall be final and conclusive except in a case where the nature or extent of the interest of the director concerned has not been fairly disclosed. If the question relates to the chairman, it must be referred to such other director present at the meeting, other than the chairman, as the directors present appoint.

The directors may provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any director, ex-director, employee or ex-employee of the Company or any of its subsidiaries or to the spouse, civil partner, children and dependents of any such director, ex-director, employee or ex-employee.

#### *Directors' Fees and Remuneration*

The directors are entitled to fees (in addition to salaries) at such rate as may from time to time be determined by the board of directors *provided* that the aggregate of all such fees so paid to directors shall not exceed £500,000 (five hundred thousand pounds) per annum, or such additional sum as may from time to time be determined by ordinary resolution of the shareholders.

The Company by ordinary resolution may also vote extra fees to the directors which will, unless otherwise determined by the resolution by which it is voted, be divided among the directors as they may agree, or failing agreement, equally.

Any director who serves on any committee or who devotes special attention to the business of our company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commissions, participation in profits or otherwise as the directors may determine.

The directors are entitled to be paid all traveling, hotel and other expenses properly incurred by them in connection with the business of the Company or in attending and returning from meetings of the board of directors or of committees of the board of directors or general meetings.

### ***Borrowing Powers***

Subject to the provisions of the Companies Act, the board of directors may exercise all the powers of the Company to borrow money and to mortgage or charge our undertaking, property and assets and uncalled capital or any part thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of us or of any third party.

### ***CREST***

The board of directors may implement such arrangements as they think fit in order for any class of shares to be held in uncertificated form and for title to those shares to be transferred by means of a system such as CREST (being a computerized paperless share transfer and settlement system that allows shares to be transferred by electronic means) in accordance with the Uncertificated Securities Regulations 2001 and the Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

### ***Indemnity***

Subject to the provisions of the Companies Act, every director, alternate director, secretary or other officer (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities incurred in connection with the execution of his duties or the exercise of his powers or otherwise in relation to them, including any liability for negligence, default, breach of duty or breach of trust by him in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director. Subject to the provisions of the Companies Act, the Company may purchase and maintain for the benefit of any director, secretary or other officer, insurance against any liability which by virtue of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust which he may be guilty in relation to the Company.

### ***Other UK Law Considerations***

#### ***Mandatory Purchases and Acquisitions***

Pursuant to Sections 979 to 991 of the Companies Act, where a takeover offer has been made for us and the offeror has acquired or unconditionally contracted to acquire not less than 90% in value of the shares to which the offer relates and not less than 90% of the voting rights carried by those shares, the offeror may give notice to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire that he wishes to acquire, and is entitled to so acquire, those shares on the same terms as the general offer. The offeror would do so by sending a notice to the outstanding minority shareholders telling them that it will compulsorily acquire their shares.

Such notice must be sent within three months of the last day on which the offer can be accepted in the prescribed manner or if earlier, and the offer is not one to which section 943(1) of the Companies Act applies, within the period of six months beginning with the date of the offer. The squeeze out of the minority shareholders can be completed at the end of six weeks from the date the notice has been given, subject to the minority shareholders failing to successfully lodge an application to the court to prevent such squeeze out any time prior to the end of those six weeks following which the offeror can execute a transfer of the outstanding shares in its favor and pay the consideration to us, which would hold the consideration on trust for the outstanding minority shareholders. The consideration offered to the outstanding minority shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

### ***Sell Out***

The Companies Act also gives our minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer for all of our shares. The holder of shares to which the offer relates, and who has not otherwise accepted the offer, may require the offeror to acquire his shares if, prior to the expiry of the acceptance period for such offer, (1) the offeror has acquired or unconditionally agreed to acquire not less than 90% in value of the voting shares, and (2) not less than 90% of the voting rights carried by those shares. The offeror may impose a time limit on the rights of minority shareholders to be bought out that is not less than three months after the end of the acceptance period. If a shareholder exercises his rights to be bought out, the offeror is required to acquire those shares on the terms of this offer or on such other terms as may be agreed.

### ***Disclosure of Interest in Shares***

Pursuant to Part 22 of the Companies Act 2006, the Company is empowered by notice in writing to require any person whom it knows or has reasonable cause to believe to be interested in its shares, or who at any time during the three years immediately preceding the date on which the notice is issued has been so interested, within a reasonable time to disclose to the Company particulars of that person's interest and (so far as is within that person's knowledge) particulars of any other interest that subsists or subsisted in those shares.

Under the Company's articles of association, if a person defaults in supplying the required particulars in relation to the shares in question (the "default shares") within the prescribed period, the directors may by notice direct that:

- in respect of the default shares, the relevant shareholder shall not be entitled to vote (either in person or by representative or proxy) at any general meeting or to exercise any other right conferred by a shareholding in relation to general meetings; and
- where the default shares represent at least 0.25% in nominal value of the issued shares of their class, (a) any dividend or other money payable in respect of the default shares shall be retained by the Company without liability to pay interest and/or (b) no transfers by the relevant shareholder of any default shares may be registered (unless the shareholder is not in default and provides a certificate, in a form satisfactory to the directors, to the effect that after due and careful enquiry the shareholder is satisfied that none of the shares to be transferred are default shares).

While the Company's ordinary shares were admitted to trading on a regulated market in the United Kingdom, shareholders were subject to notification obligations under the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority (the "DTRs") upon reaching, exceeding or falling below specified voting rights thresholds, and the Company was required to make such notifications public.

Following the delisting of the Company's ordinary shares from the London Stock Exchange, the DTRs no longer apply to the Company, and shareholders are no longer subject to the DTR notification regime in respect of their holdings in the Company's ordinary shares. Shareholders may, however, remain subject to disclosure obligations under other applicable laws and regulations, including U.S. securities laws, depending on their status and the nature of their holdings.

## ***Purchase of Own Shares***

Under the laws of England and Wales, a limited company may only purchase its own shares out of the distributable profits of the company or the proceeds of a fresh issue of shares made for the purpose of financing the purchase, subject to complying with procedural requirements under the Companies Act and *provided* that they are not restricted from doing so by their articles of association. A limited company may not purchase its own shares if, as a result of the purchase, there would no longer be any issued shares of the company other than redeemable shares or shares held as treasury shares. Shares must be fully paid in order to be repurchased.

Any such purchase will be either a “market purchase” or “off market purchase,” each as defined in the Companies Act. A “market purchase” is a purchase made on a “recognized investment exchange” (other than an overseas exchange) as defined in the UK Financial Services and Markets Act 2000, as amended, or FSMA. An “off market purchase” is a purchase that is not made on a “recognized investment exchange.” Both “market purchases” and “off market purchases” require prior shareholder approval by way of an ordinary resolution. In the case of an “off market purchase,” a company’s shareholders, other than the shareholders from whom the company is purchasing shares, must approve the terms of the contract to purchase shares and in the case of a “market purchase,” the shareholders must approve the maximum number of shares that can be purchased and the maximum and minimum prices to be paid by the company. Both resolutions authorizing “market purchases” and “off-market purchases” must specify a date, not later than five years after the passing of the resolution, on which the authority to purchase is to expire.

## ***Distributions and Dividends***

Under the Companies Act, before a company can lawfully make a distribution or dividend, it must ensure that it has sufficient distributable reserves (on a non-consolidated basis). The basic rule is that a company’s profits available for the purpose of making a distribution are its accumulated, realized profits, so far as not previously utilized by distribution or capitalization, less its accumulated, realized losses, so far as not previously written off in a reduction or reorganization of capital duly made. The requirement to have sufficient distributable reserves before a distribution or dividend can be paid applies to us and to each of our subsidiaries that has been incorporated under the laws of England and Wales.

It is not sufficient that we, as a public company, have made a distributable profit for the purpose of making a distribution. An additional capital maintenance requirement is imposed on us to ensure that the net worth of the Company is at least equal to the amount of its capital. A public company can only make a distribution:

- if, at the time that the distribution is made, the amount of its net assets (that is, the total excess of assets over liabilities) is not less than the total of its called up share capital and distributable reserves; and
- if, and to the extent that, the distribution itself, at the time that it is made, does not reduce the amount of the net assets to less than that total.

## ***City Code on Takeovers and Mergers***

As a public company incorporated in England and Wales, we are subject to the UK City Code on Takeovers and Mergers (the “City Code”), which is issued and administered by the UK Panel on Takeovers and Mergers (the “**Panel**”), to the extent the Panel determines that it has jurisdiction over the Company.

Prior to the delisting of our ordinary shares from the London Stock Exchange in December 2025, the Company was subject to the City Code by virtue of its shares being admitted to trading on a UK regulated market. Following delisting, the continued application of the City Code to the Company is determined in accordance with the Panel’s jurisdictional rules, including with reference to the Company’s place of incorporation and the location of its central management and control.

Where applicable, the City Code provides a framework within which takeovers of companies subject to it are conducted. In particular, the City Code contains certain rules in respect of mandatory offers. Under Rule 9 of the City Code, if a person, together with persons acting in concert with such person, acquires interests in shares carrying 30% or more of the voting rights of a company, or where such person already holds between 30% and 50% of the voting rights and acquires additional interests in shares, such person may be required (except with the consent of the Panel) to make a mandatory offer for all remaining shares of the company on prescribed terms.

## **Shareholder Rights**

Certain rights granted under the Companies Act, including the right to requisition a general meeting or require a resolution to be put to shareholders at the annual general meeting, are only available to our shareholders. For English law purposes, our shareholders are the persons who are registered as the owners of the legal title to the shares and whose names are recorded in our share register. If a person who holds their ADSs in DTC wishes to exercise certain of the rights granted under the Companies Act, they may be required to first take steps to withdraw their ADSs from the settlement system operated by DTC and become the registered holder of the shares in our share register. A withdrawal of shares from DTC may have tax implications.

## **Differences in Corporate Law**

The applicable provisions of the Companies Act differ from laws applicable to U.S. corporations and their shareholders. See “Exhibit 15.1 — Differences in Corporate Law” for a summary of certain differences between the provisions of the Companies Act applicable to us and the General Corporation Law of the State of Delaware relating to shareholders’ rights and protections. Such summary is not intended to be a complete discussion of the respective rights and it is qualified in its entirety by reference to Delaware law and the laws of England and Wales.

### **C. Material Contracts**

None

### **D. Exchange Controls**

There are no governmental laws, decrees, regulations or other legislation in the United Kingdom that may affect the import or export of capital, including the availability of cash and cash equivalents for use by us, or that may affect the remittance of dividends, interest, or other payments by us to non-resident holders of our ordinary shares or ADSs representing our ordinary shares, other than withholding tax requirements. There is no limitation imposed by the laws of England and Wales or in the Articles of Association on the right of non-residents to hold or vote shares.

### **E. Taxation**

#### **Material United Kingdom Tax Considerations**

The following is intended as a general guide to current UK tax law and HM Revenue & Customs’ (“**HMRC**”) practice applying as at the date of this Annual Report (both of which are subject to change at any time, possibly with retrospective effect) relating to the holding of our ADSs. It does not constitute legal or tax advice and does not purport to be a complete analysis of all UK tax considerations relating to the holding of ADSs, or all of the circumstances in which holders of ADSs may benefit from an exemption or relief from UK taxation. It is written on the basis that the Company does not (and will not) directly or indirectly derive 75% or more of its qualifying asset value from UK land, and that the Company is and remains solely resident in the United Kingdom for tax purposes and will therefore be subject to the UK tax regime (and not, for example, the U.S. tax regime (save as set out below under “Material United States Federal Income Tax Considerations.”))

Except to the extent that the position of non-UK resident persons is expressly referred to, this guide relates only to persons who are resident (and, in the case of individuals, domiciled or deemed domiciled) for tax purposes solely in the United Kingdom to whom split-year treatment does not apply and do not have a permanent establishment, branch, agency (or equivalent) or fixed base in any other jurisdiction with which the holding of the ADSs is connected (“**UK Holders**”), who are absolute beneficial owners of the ADSs and who hold the ADSs as investments (where the ADSs are not held through an Individual Savings Account or a Self-Invested Personal Pension).

This guide may not relate to certain classes of UK Holders, such as (but not limited to):

- persons who are connected with the Company;
- financial institutions;

- insurance companies;
- charities or tax-exempt organizations;
- collective investment schemes;
- pension schemes;
- market makers, intermediaries, brokers or dealers in securities;
- persons who have (or are deemed to have) acquired their ADSs by virtue of an office or employment or who are or have been officers or employees of the Company or any of its affiliates; and
- individuals who are subject to UK taxation on a remittance basis.

The decision of the First-tier Tribunal (Tax Chamber) in *HSBC Holdings PLC and The Bank of New York Mellon Corporation v HMRC* (2012) cast some doubt on whether a holder of a depositary receipt is the beneficial owner of the underlying ordinary shares. However, based on published HMRC guidance we would expect that HMRC will regard a holder of ADSs as holding the beneficial interest in the underlying ordinary shares and therefore these paragraphs assume that a holder of ADSs is the beneficial owner of the underlying ordinary shares and any dividends paid in respect of the underlying ordinary shares (where the dividends are otherwise regarded for UK purposes as that person's own income) for UK direct tax purposes.

**THESE PARAGRAPHS ARE A SUMMARY OF CERTAIN MATERIAL UNITED KINGDOM TAX CONSIDERATIONS AND ARE INTENDED AS A GENERAL GUIDE ONLY. IT IS RECOMMENDED THAT ALL HOLDERS OF ADSs OBTAIN ADVICE AS TO THE CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE ADSs IN THEIR OWN SPECIFIC CIRCUMSTANCES FROM THEIR OWN TAX ADVISORS. IN PARTICULAR, NON-UK RESIDENT OR DOMICILED PERSONS ARE ADVISED TO CONSIDER THE POTENTIAL IMPACT OF ANY RELEVANT DOUBLE TAXATION AGREEMENTS.**

### *Dividends*

### *Withholding Tax*

Dividends paid by the Company will not be subject to any withholding or deduction for or on account of UK tax.

### *Income Tax*

An individual UK Holder may, depending on his or her particular circumstances, be subject to UK tax on dividends received from the Company. An individual holder of ADSs who is not resident for tax purposes in the United Kingdom should not be chargeable to UK income tax on dividends received from the Company unless he or she carries on (whether solely or in partnership) a trade, profession or vocation in the United Kingdom through a branch or agency to which the ADSs are attributable. There are certain exceptions for trading in the United Kingdom through independent agents, such as some brokers and investment managers.

All dividends received by an individual UK Holder from us or from other sources will form part of that UK Holder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £1,000 of taxable dividend income received by the individual UK Holder in the 2023/24 tax year. From the 2024/25 tax year, the nil rate band will be reduced to the first £500 of taxable dividend income received by the individual UK holder. Income within the nil rate band will be taken into account in determining whether income in excess of the £1,000 tax-free allowance (or £500 tax-free allowance from the 2025/26 tax year onwards) falls within the basic rate, higher rate or additional rate tax bands. Dividend income in excess of the tax-free allowance will (subject to the availability of any income tax personal allowance) be taxed at 8.75% to the extent that the excess amount falls within the basic rate tax band, 33.75% to the extent that the excess amount falls within the higher rate tax band and 39.35% to the extent that the excess amount falls within the additional rate tax band.

## **Corporation Tax**

A corporate holder of ADSs who is not resident for tax purposes in the United Kingdom should not be chargeable to UK corporation tax on dividends received from the Company unless it carries on (whether solely or in partnership) a trade in the United Kingdom through a permanent establishment to which the ADSs are attributable.

Corporate UK Holders should not be subject to UK corporation tax on any dividend received from the Company so long as the dividends qualify for an exemption, which should be the case, although certain conditions must be met. If the conditions for the exemption are not satisfied, or such UK Holder elects for an otherwise exempt dividend to be taxable, UK corporation tax will be chargeable on the amount of any dividends (at the current main rate of 125%).

## **Chargeable Gains**

A disposal or deemed disposal of ADSs by a UK Holder may, depending on the UK Holder's circumstances and subject to any available exemptions or reliefs (such as the annual exemption), give rise to a chargeable gain or an allowable loss for the purposes of UK capital gains tax and corporation tax on chargeable gains.

If an individual UK Holder who is subject to UK income tax at either the higher or the additional rate is liable to UK capital gains tax on the disposal of ADSs, the current applicable rate will be 20%. For an individual UK Holder who is subject to UK income tax at the basic rate and liable to UK capital gains tax on such disposal, the current applicable rate would be 10%, save to the extent that any capital gains when aggregated with the UK Holder's other taxable income and gains in the relevant tax year exceed the unused basic rate tax band. In that case, the rate currently applicable to the excess would be 20%.

If a corporate UK Holder makes a disposal (or deemed disposal) of ADSs, it would be subject to UK corporation tax (subject to any available exemptions or reliefs) at the rate applicable to that corporate holder.

A holder of ADSs which is not resident for tax purposes in the United Kingdom should not normally be liable to UK capital gains tax or corporation tax on chargeable gains on a disposal (or deemed disposal) of ADSs unless the person is carrying on (whether solely or in partnership) a trade, profession or vocation in the United Kingdom through a branch or agency (or, in the case of a corporate holder of ADSs, a trade through a permanent establishment) to which the ADSs are attributable. However, an individual holder of ADSs who has ceased to be resident for tax purposes in the United Kingdom for a period of less than five years and who disposes of ADSs during that period may be liable on his or her return to the United Kingdom to UK tax on any capital gain realized (subject to any available exemption or relief).

## **Stamp Duty and Stamp Duty Reserve Tax**

*The discussion below relates to the holders of our ordinary shares or ADSs wherever resident, however it should be noted that special rules may apply to certain persons such as market makers, brokers, dealers or intermediaries.*

### **Issue of Shares**

No UK stamp duty is payable on the issue of the underlying ordinary shares in the Company into a depository receipt system (such as that operated by JPMorgan) or a clearance service (such as DTC). No UK stamp duty reserve tax ("SDRT") should be payable on the issue of the Company's ordinary shares into a depository receipt system or a clearance service. Accordingly, no stamp duty or SDRT should be payable on the creation and issue of the ADSs pursuant to the issue of the Company's ordinary shares to JPMorgan.

### **Transfers of Shares**

An unconditional agreement to transfer ordinary shares in certificated form will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer. The purchaser of the shares is liable for the SDRT. Transfers of ordinary shares in certificated form are generally also subject to stamp duty at the rate of 0.5% of the amount or value of the consideration given for the transfer (rounded up to the next £5.00). Stamp duty is normally paid by the purchaser. The charge to SDRT will be canceled or, if already paid, repaid (generally with interest), where a transfer instrument has been duly stamped within six years of that charge arising (either by paying the stamp duty or by claiming an appropriate relief) or if the instrument is otherwise exempt from stamp duty.

An unconditional agreement to transfer ordinary shares to, or to a nominee or agent for, a person whose business is or includes the issue of depositary receipts or the provision of clearance services will generally be subject to SDRT (or, where the transfer is effected by a written instrument, stamp duty) at a higher rate of 1.5% of the amount or value of the consideration given for the transfer unless the clearance service has made and maintained an election under section 97A of the UK Finance Act 1986, or a “section 97A election.” It is understood that HMRC regards the facilities of DTC as a clearance service for these purposes and we are not aware of any section 97A election having been made by DTC. However, no SDRT is generally payable where the transfer of ordinary shares to a clearance service or depositary receipt system is an integral part of an issue of new share capital.

Any stamp duty or SDRT payable on a transfer of ordinary shares to a depositary receipt system or clearance service will in practice generally be paid by the participants in the clearance service or depositary receipt system.

### ***Transfers of ADSs***

No SDRT should be required to be paid on a paperless transfer of ADSs through the clearance service facilities of DTC, provided that no section 97A election has been made by DTC, and such ADSs are held through DTC at the time of any agreement for their transfer.

No UK stamp duty will in practice be payable on a written instrument transferring an ADS provided that the instrument of transfer is executed and remains at all times outside the United Kingdom. Where these conditions are not met, the transfer of, or agreement to transfer, an ADS could, depending on the circumstances, attract a charge to UK stamp duty at the rate of 0.5% of the amount or value of the consideration. If it is necessary to pay stamp duty, it may also be necessary to pay interest and penalties.

### **Material United States Federal Income Tax Considerations**

The following discussion sets forth the material U.S. federal income tax consequences to U.S. Holders, as defined below, of owning and disposing of our ordinary shares or ADSs. This discussion does not apply to persons holding ordinary shares or ADSs that are not U.S. Holders. It does not describe all tax considerations that may be relevant to a particular person’s decision to acquire ordinary shares or ADSs. This discussion applies only to ordinary shares or ADSs acquired for cash and held as capital assets for U.S. federal income tax purposes and does not address any U.S. state or local or non-U.S. income or other tax consequences. In addition, it does not describe all of the U.S. federal income tax consequences that may be relevant in light of a U.S. Holder’s particular circumstances, including alternative minimum tax consequences, the potential application of the Medicare contribution tax on net investment income and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions or insurance companies;
- dealers or traders in securities or other persons who use a mark-to-market method of tax accounting;
- persons holding ordinary shares or ADSs as part of a hedging transaction, straddle, wash sale, conversion transaction or other integrated transaction or persons entering into a constructive sale with respect to the ordinary shares or ADSs;
- U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes (and investors in such entities);
- tax-exempt or flow-through entities, including an “individual retirement account” or “Roth IRA,” governmental organizations, grantor trusts, regulated investment companies or real estate investment trusts;
- persons subject to special tax accounting rules as a result of their use of applicable financial statements within the meaning of Section 451(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”);
- persons that own, directly or indirectly, or are deemed to own by attribution ten percent or more of our shares (by vote or value); or

- persons holding ordinary shares or ADSs in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds ordinary shares or ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding ordinary shares or ADSs and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of the ordinary shares or ADSs.

This discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, all as of the date hereof, any of which is subject to change or differing interpretations, possibly with retroactive effect. We have not sought and will not seek an advance ruling from the U.S. Internal Revenue Service (the “IRS”) regarding any matter discussed in this report and the statements in this report are not binding on the IRS or any court. Thus, no assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax consequences described below.

As used in this discussion, a “U.S. Holder” is a beneficial owner of ordinary shares or ADSs who is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions or (ii) that has elected under applicable U.S. Treasury regulations to be treated as a domestic trust for U.S. federal income tax purposes.
- U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of ordinary shares or ADSs in their particular circumstances.

Generally, we believe a U.S. Holder of ADSs should be treated for U.S. federal income tax purposes as the owner of the underlying ordinary shares represented by those ADSs, and following discussion assumes such treatment is respected. Accordingly, no gain or loss will generally be recognized if a U.S. Holder exchanges ADSs for the underlying ordinary shares represented by those ADSs.

### **Taxation of Distributions**

Subject to the PFIC rules described below, a U.S. Holder will be subject to the following tax consequences upon receipt of distributions in respect of the ordinary shares or ADSs:

- Distributions paid on ordinary shares or ADSs, other than certain pro rata distributions of ordinary shares or ADSs, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, we expect that distributions will be reported to U.S. Holders as dividends. The amount of a dividend will include amounts withheld (if any) in respect of taxes imposed under United Kingdom laws.

- If we are eligible for the benefits of the United States-United Kingdom Income Tax Convention (as currently in force) or our ordinary shares or ADSs are treated as readily tradable on an established securities market in the United States, dividends paid to certain non-corporate U.S. Holders will be eligible for taxation as “qualified dividend income” and therefore, subject to applicable limitations, will be taxable at rates not in excess of the long-term capital gain rate applicable to such U.S. Holder, provided that certain holding period and other requirements are met, including that we are not treated as a PFIC during the taxable year in which the dividend is paid or in the preceding taxable year. We expect to be eligible for the United States-United Kingdom Income Tax Convention. Our ordinary shares or ADSs will generally be considered to be readily tradable on an established securities market in the United States if they are listed on the Nasdaq, as it is expected that the ADSs will be. U.S. Holders should consult their tax advisers regarding the availability of the reduced tax rate on dividends with respect to distributions on the ordinary shares or ADSs in light of their particular circumstances.
- The amount of any distribution paid in foreign currency that will be included in the gross income of a U.S. Holder will be the U.S. dollar value of the distribution payment based on the exchange rate in effect on the date such distribution is included in such holder’s income, whether or not the payment is converted into U.S. dollars at that time. A U.S. Holder’s tax basis in the foreign currency will equal the U.S. dollar amount included in income. Any gain or loss realized on a subsequent conversion or other disposition of the foreign currency for a different U.S. dollar amount generally will be U.S. source ordinary income or loss.
- The amount of the dividend will generally be treated as foreign-source dividend income for foreign tax credit purposes and will not be eligible for the dividends received deduction generally available to U.S. corporations under the Code. The rules governing U.S. foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

#### ***Sale or Other Disposition of Ordinary Shares or ADSs***

Subject to the PFIC rules described below, a U.S. Holder will be subject to the following tax consequences upon a disposition of ordinary shares or ADSs:

- The amount of the gain or loss will equal the difference (if any) between the U.S. Holder’s tax basis in the ordinary shares or ADSs disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars.
- Gain or loss realized on the sale or other disposition of ordinary shares or ADSs will be capital gain or loss, and will be long-term capital gain (taxable at a reduced rate for a non-corporate U.S. Holder) or loss if the U.S. Holder held the ordinary shares or ADSs for more than one year.
- Subject to certain exceptions, this gain or loss will be U.S.-source gain or loss for U.S. foreign tax credit purposes.
- The deductibility of capital losses is subject to various limitations.

#### ***Passive Foreign Investment Company Rules***

Under the Code, we will be a PFIC for any taxable year in which, if, after the application of certain “look-through” rules with respect to our subsidiaries, either:

- 75% or more of our gross income consists of “passive income,” or
- 50% or more of the average quarterly value of our assets consist of assets that produce, or are held for the production of, “passive income.”

For purposes of these tests, passive income includes dividends, interest, certain gains from the sale or exchange of investment property and certain rents and royalties. Cash, cash-equivalents and cryptocurrencies generally are passive assets for these purposes. Goodwill is active to the extent attributable to activities that produce or are intended to produce active income. In addition, for purposes of the above calculations, we will be treated as if we hold our proportionate share of the assets of, and receive directly our proportionate share of the income of, any other corporation in which we directly or indirectly own at least 25%, by value, of the shares. Based on our analysis of our activities and current estimates of the composition of our income and assets (including goodwill), we do not expect to be a PFIC for the current taxable year or in the foreseeable future. However, because PFIC status is determined on an annual basis, and therefore our PFIC status for the current taxable year and any future taxable year will depend upon the future composition of our income and assets, there can be no assurance that we will not be a PFIC for any taxable year. In particular, the application of the PFIC rules to cryptocurrencies is subject to uncertainty. In addition, the total value of our assets (including goodwill) for PFIC testing purposes may be determined in part by reference to the market price of our ordinary shares or ADSs from time to time, which may fluctuate considerably. Even if we determine that we are not a PFIC for a taxable year, there can be no assurance that the IRS will agree with our conclusion and that the IRS would not successfully challenge our position. If we are a PFIC for any year during which a U.S. Holder holds ordinary shares or ADSs, we generally would continue to be treated as a PFIC with respect to that U.S. Holder for all succeeding years during which the U.S. Holder holds ordinary shares or ADSs, even if we cease to meet the threshold requirements for PFIC status, unless the U.S. Holder makes a “deemed sale” election with respect to the ordinary shares or ADSs.

If we are a PFIC for any taxable year during which a U.S. Holder holds ordinary shares or ADSs (assuming such U.S. Holder has not made a timely mark-to-market election, as described below):

- gain recognized by a U.S. Holder on a sale or other disposition (including certain pledges) of the ordinary shares or ADSs would be allocated ratably over the U.S. Holder’s holding period for the ordinary shares or ADSs,
- the amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income, and
- the amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the amount allocated to that taxable year.

Further, to the extent that any distribution received by a U.S. Holder on its ordinary shares or ADSs exceeds 125% of the average of the annual distributions on the ordinary shares or ADSs received during the preceding three years or the U.S. Holder’s holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain described immediately above.

If we are treated as a PFIC, a U.S. Holder will generally be subject to similar rules with respect to distributions we receive from, and our dispositions of the stock of, any of our direct or indirect lower-tier non-U.S. subsidiaries that are also treated as PFICs, as if such distributions were indirectly received by, or dispositions were indirectly carried out by, such U.S. Holder. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to our lower-tier non-U.S. subsidiaries.

A U.S. Holder can avoid certain of the adverse rules described above by making a timely mark-to-market election with respect to its ordinary shares or ADSs, provided that the ordinary shares or ADSs are “marketable.” ordinary shares or ADSs will be marketable if they are “regularly traded” on a “qualified exchange” or other market within the meaning of applicable Treasury regulations. In general, an ordinary share or an ADS will be considered regularly traded during any calendar year during which such ordinary share or ADS is traded, other than in de minimis quantities, on at least fifteen days during each calendar quarter. Our ordinary shares or ADSs will be treated as “marketable” as long as they remain listed on the Nasdaq and are regularly traded. If a U.S. Holder makes the mark-to-market election, it will be subject to the following tax consequences:

- The U.S. Holder will recognize each taxable year as ordinary income any excess of the fair market value of the ordinary shares or ADSs at the end of such taxable year over their adjusted tax basis.

- The U.S. Holder will recognize each taxable year an ordinary loss in respect of any excess of the adjusted tax basis of the ordinary shares or ADSs over their fair market value at the end of such taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election).
- The U.S. Holder's tax basis in the ordinary shares or ADSs will be adjusted annually to reflect the income or loss amounts recognized.
- Any gain recognized on the sale or other disposition of ordinary shares or ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated first as ordinary loss (to the extent of the net amount of income previously included as a result of the mark-to-market election) and thereafter as capital loss.

A mark-to-market election will not apply to any of our non-U.S. subsidiaries, and therefore, a U.S. Holder may continue to be subject to tax under the rules discussed above with respect to any of our lower-tier subsidiaries that are treated as PFICs, notwithstanding such U.S. Holder's mark-to-market election for our ordinary shares or ADSs.

In addition, in order to avoid the application of the foregoing rules, a United States person that owns ordinary shares or ADSs in a PFIC for U.S. federal income tax purposes may make a "qualified electing fund election" with respect to such PFIC if the PFIC provides the information necessary for such election to be made. We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections.

In addition, if we were a PFIC or, with respect to particular U.S. Holder, were treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential dividend rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders that would otherwise be eligible for taxation as qualified dividend income would not apply.

If a U.S. Holder owns ordinary shares or ADSs during any year in which we are a PFIC, the holder must file annual reports containing such information as the U.S. Treasury may require on IRS Form 8621 (or any successor form) with respect to us as well as any of our subsidiaries that are PFICs, with the holder's federal income tax return for that year.

U.S. Holders should consult their tax advisers concerning our potential PFIC status and the potential application of the PFIC rules to their investments in our ordinary shares or ADSs.

### ***Information Reporting and Backup Withholding***

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries are subject to certain information reporting requirements, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies under penalties of perjury that it is not subject to backup withholding. Backup withholding is not an additional tax, and the amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisers regarding the backup withholding tax and information reporting rules.

### ***Information Reporting With Respect to Foreign Financial Assets***

Certain U.S. Holders may be required to report information relating to an interest in "specified foreign financial assets," which include an interest in our ordinary shares or ADSs, subject to certain exceptions (including an exception for ordinary shares or ADSs held in accounts maintained by certain U.S. financial institutions). Persons who are required to report specified foreign financial assets and fail to do so may be subject to substantial penalties. U.S. Holders should consult their tax advisers regarding the effect, if any, of this legislation on their ownership and disposition of the ordinary shares or ADSs.

### ***F. Dividends and Paying Agents***

Not applicable.

## **G. Statement of Experts**

Not applicable.

## **H. Documents on Display**

The documents concerning the Company which are referred to in this Annual Report may be inspected at the Company's offices located at Eastcastle House, 27/28 Eastcastle Street, London, England W1W 8DH.

The Company files reports, including annual reports on Form 20-F, furnishes current reports on Form 6-K and discloses other information with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers. These may be accessed by visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

The Company also makes available on its investor relations webpage, free of charge, its Annual Report and the text of its reports on Form 6 - K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. The information contained on the Company's website is not incorporated by reference in this Annual Report.

## **I. Subsidiary Information**

Not applicable.

## **J. Annual Report to Security Holders**

Not applicable

## **Item 11. Quantitative and Qualitative Disclosures About Market Risk**

### ***Market Value of Bitcoin and other Cryptocurrency Risk***

Substantially all of our current business is focused on mining Bitcoin. Our revenue is primarily comprised of the value of Bitcoin rewards and transaction fees we earn by mining the blockchain, and, as of December 31, 2025, less than 2% of our total assets were represented by our holdings of Bitcoin and other cryptocurrencies in treasury. Our operating results and financial condition are affected by fluctuations and long-term trends in the value of Bitcoin and, to a lesser extent, other cryptocurrency. Each cryptocurrency has its own unique dynamic in terms of valuation, reward rates and similar factors. Any of these factors could lead to material adverse changes in the market for cryptocurrencies, which could in turn result in substantial damage to or even the failure of our business.

Bitcoin and other cryptocurrencies accounted for less than 2% of our total assets; as such, a 10% increase or decrease in Bitcoin's or other cryptocurrencies' value as at December 31, 2023, 2024 and 2025 would not have had a material effect on our total assets as at that date. However, given we were selling Bitcoin and other cryptocurrencies to cover operating expenses during the year, increases or decreases in the market value of these cryptocurrencies would have resulted in increased or decreased holdings of these cryptocurrencies at the end of the year. See Item 5. A. "Factors Affecting our Results of Operations — Market Value of Bitcoin and other Cryptocurrency."

### ***Cost of Power Risk***

Mining cryptocurrency is a highly power-intensive process, with electrical power required both to operate the mining machines and to dissipate the significant amount of heat generated by operating the machines. In 2023, 2024 and 2025 the cost of power represented approximately 80% of our cryptocurrency mining revenue. See Item 5. A. "Factors Affecting our Results of Operations — Cost and Source of Power."

## **Item 12. Description of Securities Other than Equity Securities**

### ***A. Debt Securities.***

In connection with the Company's 2025 recapitalization, the Company's previously outstanding 8.75% Senior Notes due 2026 (formerly traded on Nasdaq under the symbol "ARBKL") were fully equitized and cancelled, and no debt securities remain outstanding as of December 31, 2025.

## **B. Warrants and Rights.**

Not applicable.

## **C. Other Securities.**

Not applicable.

## **D. American Depositary Shares**

### **ADS Overview**

We have appointed JPMorgan Chase Bank, N.A. (“**JPMorgan**”), as depository. The depository’s office is located at 383 Madison Avenue, Floor 11, New York, New York 10179. A copy of the form of deposit agreement governing the ADSs, as amended and restated from time to time, is on file with the SEC under cover of a registration statement on Form F-6. Copies of the original deposit agreement and the Amended and Restated Deposit Agreement have been filed with the SEC and are available on the SEC’s website ([www.sec.gov](http://www.sec.gov)). Please refer to registration number 333-259507 when retrieving the Form F-6, and to the Company’s Current Reports on Form 6-K for the Amended and Restated Deposit Agreement.

Each ADS represents an ownership interest in a designated number of ordinary shares deposited with the custodian, as agent of the depository, under the deposit agreement among ourselves, the depository, and all ADR holders, and all beneficial owners of an interest in the ADSs evidenced by ADRs from time to time. Each ADS represents any securities, cash or other property deposited with the depository but which they have not distributed directly to the holders. Unless certificated ADRs are specifically requested by the holder all ADSs are issued on the books of our depository in book-entry form and periodic statements will be mailed to the holder which reflect the holder’s ownership interest in such ADSs. In our description, references to American depository receipts or ADRs shall include the statements holders will receive which reflect their ownership of ADSs.

The holders may hold ADSs either directly or indirectly through their broker or other financial institution. If a holder holds ADSs directly, by having an ADS registered in their name on the books of the depository, they are an ADR holder. This description assumes they are an ADR holder and hold their ADSs directly. If holders have a beneficial ownership interest in ADSs but hold the ADSs through their broker or financial institution nominee, they are a beneficial owner of ADSs and must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. Holders should consult with their broker or financial institution to find out what those procedures are. If a holder is a beneficial owner, they will only be able to exercise any right or receive any benefit under the deposit agreement solely through the ADR holder which holds the ADR (s) evidencing the ADSs owned by the holder, and the arrangements between the holder and such ADR holder may affect their ability to exercise any rights they may have. For all purposes under the deposit agreement, an ADR holder is deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by the ADR (s) registered in such ADR holders name. The depository’s only notification obligations under the deposit agreement shall be to the ADR holders, and notice to an ADR holder shall be deemed, for all purposes of the deposit agreement, to constitute notice to any and all beneficial owners of the ADSs evidenced by such ADR holder’s ADRs.

ADR holders or beneficial owners will not be treated as shareholders of ours and they will not have any shareholder rights. English law governs shareholder rights. Because the depository or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Holders’ rights are those of an ADR holder or of a beneficial owner. Such rights derive from the terms of the deposit agreement to be entered into among the depository and all registered holders and beneficial owners from time to time of ADSs issued under the deposit agreement and, in the case of a beneficial owner, from the arrangements between the beneficial owner and the holder of the corresponding ADRs.

Our obligations and the obligations of the depository and its agents are also set out in the deposit agreement. Because the depository or its nominee will actually be the registered owner of the shares, holders must rely on it to exercise the rights of a shareholder on their behalf. The deposit agreement, the ADRs and the ADSs are governed by New York law. Under the deposit agreement, an ADR holder or a beneficial owner of ADSs agrees that any legal suit, action or proceeding brought by holders against or involving us or the depository, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may only be instituted in the United States District court for the Southern District of New York (or in the state courts of New York County in New York if either (i) the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or (ii) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable).

## **ADS Fees and Expenses**

The depository may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADSs are cancelled or reduced for any other reason, a fee of up to \$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a share distribution or elective distribution is made or offered, as the case may be. The depository may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges may also be incurred by ADR holders and beneficial owners of ADSs, by any party depositing or withdrawing shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuances pursuant to a stock dividend or stock split declared by us or an exchange of securities or a distribution of ADSs), whichever is applicable:

- a fee of up to \$0.05 per ADS held upon which any cash distribution is made pursuant to the deposit agreement, or in the case of an elective cash/stock dividend, upon which a cash distribution or an issuance of additional ADSs is made as a result of such elective dividend;
- an aggregate fee of up to \$0.05 per ADS per calendar year (or portion thereof) for services performed by the depository in administering the ADRs, which fee may be charged on a periodic basis during each calendar year and assessed against ADR holders as of the record date or record dates set by the depository;
- a fee for the reimbursement of fees, charges and expenses incurred by the depository and/or any of its agents (including, without limitation, the custodian) in connection with the servicing of the shares or other deposited securities, the sale of securities (including deposited securities), the delivery of deposited securities, or compliance with applicable law, rule or regulation, which fees and charges may be assessed proportionately against ADR holders as of the applicable record date or dates and may be collected by billing ADR holders or by deducting such amounts from one or more cash dividends or other cash distributions;
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the \$0.05 per ADS issuance fee that would have been charged if the distributed securities had been deposited and ADSs issued in respect thereof;
- stock transfer or other taxes and other governmental charges;
- SWIFT, cable, telex, facsimile transmission and delivery charges incurred at holders' request in connection with the deposit or delivery of shares, ADRs or deposited securities;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities; and
- fees of any division, branch or affiliate of the depository utilized by the depository to direct, manage and/or execute any public or private sale of securities under the deposit agreement.

## PART II

### Item 13. Defaults, Dividends Arrearages and Delinquencies

None.

### Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

#### A. – D. *Material Modifications to the Rights of Security Holders.*

In connection with the UK Restructuring described in Item 4.A, the rights of the Company's security holders were materially modified, including (i) the cancellation and equitization of the Company's outstanding 8.75% Senior Notes due 2026, (ii) the amendment and restatement of the deposit agreement with JPMorgan, including a change in the ADS ratio from 10 ordinary shares per ADS to 2,160 ordinary shares per ADS, and (iii) the delisting of the Company's ordinary shares from the London Stock Exchange. See Item 4.A "History and Development of the Company" and the Amended and Restated Deposit Agreement filed as Exhibit 2.2 to this Annual Report.

#### E. *Use of Proceeds.*

None.

### Item 15. Controls and Procedures

#### *Disclosure Controls and Procedures*

As required by Rule 13a-15 or 15d-15 under the Exchange Act, we have carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report, that being as at December 31, 2025. This evaluation was carried out by our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"). Based upon that evaluation, our CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of December 31, 2025.

It should be noted that while our CEO and CFO believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the Company's disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

#### *Management's Annual Report on Internal Control Over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Exchange Act Rules 13a-15(f) and 15d-15(f) define this as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with (a) UK-adopted international accounting standards; and (b) IFRS, including interpretations issued by the IFRS Interpretations Committee.

Under the supervision of the board our CEO and CFO, management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria, established in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon this assessment, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2025.

#### *Material Weakness in Internal Control Over Financial Reporting*

During the year ended December 31, 2025, the Company remediated the previously identified material weakness relating to (i) the documentation of intercompany recharge policies and (ii) audit trail functionality within the consolidation software. Management has concluded that the relevant controls are designed and operating effectively as of December 31, 2025.

### *Attestation Report of the Registered Public Accounting Firm*

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report is not subject to attestation by the Company's registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report in this Annual Report.

### *Changes In Internal Control Over Financial Reporting*

During the period ended December 31, 2025, there were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

### **Item 16. RESERVED**

#### **Item 16A. Audit Committee Financial Expert**

The Company's Board of Directors has determined that Maria Perrella is an audit committee financial expert. Ms. Perrella is "independent" as such term is defined in Rule 10A-3(b)(1) under the Exchange Act, and her experience is disclosed in this Annual Report under Item 6.A "Directors and Senior Management."

#### **Item 16B. Code of Ethics**

We have adopted a Code of Business Conduct and Ethics, which covers a broad range of matters including the handling of conflicts of interest, compliance issues and other corporate policies such as equal opportunity and non-discrimination standards. This Code of Business Conduct and Ethics applies to all of our executive officers, board members and employees. We have not granted any waiver from the Code of Business Conduct and Ethics to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions during the fiscal year ended December 31, 2025.

This Code of Business Conduct and Ethics is posted on our website, [www.argoblockchain.com](http://www.argoblockchain.com). The information contained on the Company's website is not included in, or incorporated by reference into, this Annual Report.

#### **Item 16C. Principal Accountant Fees and Services**

The Company's independent registered public accounting firm is PKF Littlejohn LLP, of London, England; Auditor Firm ID: 2814.

The following table sets forth the aggregate fees by the categories specified below in connection with certain professional services rendered by our independent registered public accounting firms for the periods indicated. We did not pay any other fees to our auditors during the periods indicated below.

	<b>For the year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Audit fees <sup>(1)</sup></b>	<b>320</b>	<b>326</b>

(1) Audit fees represent the aggregate fees billed for professional services rendered by our principal auditors for the audit of our annual financial statements.

#### **Audit Committee's Pre-Approval Policies and Procedures**

The Company's Audit Committee is responsible for appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors.

**Item 16D. Exemptions from the Listing Standards for Audit Committees**

None.

**Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

None.

**Item 16F. Change in Registrant's Certifying Accountant**

Not applicable.

**Item 16G. Corporate Governance**

As a "foreign private issuer," as defined by the SEC, we are permitted to follow home country corporate governance practices instead of certain corporate governance practices required by Nasdaq applicable to U.S. domestic issuers. We intend to voluntarily follow some Nasdaq corporate governance rules. However, we intend to follow UK corporate governance practices in lieu of the Nasdaq corporate governance rules as follows:

- We do not intend to follow Nasdaq Rule 5620(c) regarding quorum requirements applicable to meetings of shareholders. Such quorum requirements are not required under English law. In accordance with generally accepted business practice, our Amended and Restated Articles of Association provide alternative quorum requirements that are generally applicable to meetings of shareholders.
- We do not intend to follow Nasdaq Rule 5605(b)(2), which requires that independent directors regularly meet in executive session, where only independent directors are present. Our independent directors may choose to meet in executive session at their discretion.
- We do not intend to follow Nasdaq Rule 5635(c), which requires shareholder approval for the establishment of or any material amendments to equity compensation or purchase plans or other equity compensation arrangements.
- We do not intend to follow Nasdaq Rule 5635(d), which requires shareholder approval in order to enter into any transaction, other than a public offering, involving the sale, issuance or potential issuance by the Company of ordinary shares (or securities convertible into or exercisable for ordinary shares) equal to 20% or more of the outstanding share capital of the Company or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the ordinary shares. We will follow English law with respect to any requirement to obtain shareholder approval in connection with any private placements of equity securities.

We may in the future decide to use other foreign private issuer exemptions with respect to some or all of the other Nasdaq corporate governance rules.

Although we may rely on certain home country corporate governance practices, we will be required to comply with the Notification of Noncompliance requirement (Nasdaq Rule 5625) and the Voting Rights requirement (Nasdaq Rule 5640). Further, we will be required to have an audit committee that satisfies Nasdaq Rule 5605(c)(3), which addresses audit committee responsibilities and authority, and consists of committee members that meet the independence requirements of Nasdaq Rule 5605(c)(2)(A)(ii).

If we cease to be a "foreign private issuer" under the Nasdaq rules and the Exchange Act, as applicable, we will take all action necessary to comply with applicable Nasdaq corporate governance rules.

**Item 16H. Mine Safety Disclosure**

Not applicable.

**Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

## **Item 16J. Insider Trading Policy**

The Company has adopted written insider trading policies and procedures that apply to all directors, executive officers, employees, contractors, and consultants. These policies are designed to promote compliance with applicable securities laws and prohibit the trading of Company securities while in possession of material nonpublic information. The policy also prohibits tipping, short selling, hedging, and pledging of Company securities. Members of the Company's window group are subject to additional pre-clearance requirements. The policy includes a procedure for trades made under Rule 10b5-1 plans. A copy of the Insider Trading Policy is filed as Exhibit 11 to this Annual Report on Form 20-F.

## **Item 16K. Information on Cybersecurity**

### ***Cybersecurity Risk Management and Strategy***

As an emerging growth company, we recognize the critical importance of cybersecurity in safeguarding our assets, maintaining the trust of our customers, and ensuring the integrity of our operations. We face various cybersecurity risks and threats, including but not limited to unauthorized access, data breaches, malware attacks, and phishing attempts. These risks are inherent in the use of technology and the internet for conducting business.

We have implemented a comprehensive cybersecurity program designed to mitigate these risks and protect our systems and data. This program includes:

1. **Risk Assessment:** Regular assessments of cybersecurity risks and vulnerabilities to identify potential threats and areas for improvement.
2. **Security Controls:** Implementation of technical controls such as firewalls, intrusion detection systems, encryption, and multi-factor authentication to secure our networks and data.
3. **Employee Training:** Ongoing training and awareness programs for employees to educate them about cybersecurity best practices and the importance of data protection.
4. **Incident Response Plan:** Development and maintenance of an incident response plan to quickly detect, respond to, and recover from cybersecurity incidents.
5. **Third-Party Oversight:** Monitoring and evaluating the cybersecurity practices of third-party vendors and service providers with access to our systems or data.
6. **Third-Party Consulting:** Engaging external experts to enhance our cyber security program. Their insights and recommendations drive ongoing enhancements to ensure our defenses remain robust against evolving threats.

Despite our efforts, we cannot guarantee that our cybersecurity measures will prevent all incidents or breaches. Cyber threats are constantly evolving, and determined attackers may find ways to circumvent even the most robust security measures.

In the event of a significant cybersecurity incident that poses a material impact on our business, financial condition, or reputation, we will promptly disclose relevant information in accordance with our disclosure obligations. We may also notify affected individuals, regulatory authorities, and other stakeholders as required by law or industry standards.

Our commitment to cybersecurity extends to our ongoing efforts to enhance and adapt our security measures in response to emerging threats and regulatory developments. We remain vigilant in monitoring the cybersecurity landscape and implementing proactive measures to protect our stakeholders and assets.

### ***Impact of Cybersecurity Threats on Strategy and Operations***

To date, we have not experienced any cybersecurity threats or incidents that have materially affected our business strategy, results of operations, or financial condition. However, we acknowledge that cybersecurity threats continue to evolve in complexity and scale. A significant cybersecurity breach, particularly one affecting our mining operations, custodial infrastructure, or key digital assets, could materially disrupt our operations or harm our financial performance. We continue to assess cybersecurity risks as part of our strategic and operational planning processes.

### ***Cybersecurity Governance***

Our board of directors oversees cybersecurity risk as part of its general risk oversight responsibilities. Management provides updates to the board of directors regarding cybersecurity matters, including any material incidents or significant developments.

Day-to-day responsibility for assessing and managing cybersecurity risks rests with senior members of our technology and compliance teams, who have relevant experience in information security and risk management.

Cybersecurity risk is incorporated into the Company's broader risk management framework and is considered alongside other operational and strategic risks.

## PART III

### Item 17. Financial Statements

See Item 18. “Financial Statements.”.

### Item 18. Financial Statements

The audited consolidated financial statements as required under Item 18 are attached hereto starting on page F-1 of this Annual Report.

### Item 19. Exhibits

A list of exhibits included as part of this Annual Report is set forth in the Index to Exhibits immediately following this Item 19.

## INDEX TO EXHIBITS

Exhibit No.	Exhibit Description
1.1	Amended and Restated Articles of Association of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant’s Amendment No. 3 to Registration Statement on Form F-1 filed on September 17, 2021)
2.1	Description of the registrant’s securities registered pursuant to Section 12 of the Exchange Act (incorporated by reference to Exhibit 2.1 to the Registrant’s Annual Report on Form 20-F for the fiscal year ended December 31, 2023)
2.2*	Form of Amended and Restated Deposit Agreement, dated April 8, 2026, among Argo Blockchain plc, JPMorgan Chase Bank, N.A., as depository, and all holders and beneficial owners from time to time of American Depositary Receipts, including the form of American Depositary Receipt
2.3*	Form of American Depositary Receipt (included in Exhibit 2.2)
4.1	Amended and Restated 2022 Equity Incentive Plan (incorporated by reference to Exhibit 4.3 to the Registration Statement on form S-8 filed on March 8, 2023)
4.2	Additional Capital Subscription Agreement (12-Month Commitment), dated March 26, 2026, by and between Argo Blockchain plc and Growler Mining Tuscaloosa, LLC (incorporated by reference to Exhibit 5 to the Schedule 13D/A filed by Growler Mining Tuscaloosa, LLC with the SEC on April 10, 2026).
11.1*	Insider Trading Policy
12.1*	Certification Required by Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934 – Justin Nolan
12.2*	Certification Required by Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934 – Charlotte Proctor-Worrall
13.1*	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code).
15.1*	Differences in Corporate Law
15.2*	Consent from PKF Littlejohn LLP.

21.1\* List of Subsidiaries of the Registrant

97.1 Executive Compensation Clawback Policy (incorporated by reference to Exhibit 97.1 to the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 2023).

101.INS\* XBRL Instance Document

101.SCH\* XBRL Taxonomy Extension Schema Document

101.CAL\* XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF\* XBRL Taxonomy Extension Definition Linkbase Document

101.LAB\* XBRL Taxonomy Extension Label Linkbase Document

101.PRE\* XBRL Taxonomy Extension Presentation Linkbase Document

104\* Cover page interactive data (formatted as Inline XBRL and contained in Exhibit 101)

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\* Filed herewith.

## SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and has duly caused and authorized the undersigned to sign this annual report on its behalf.

ARGO BLOCKCHAIN PLC

/s/ Justin Nolan

Name: Justin Nolan

Title: Chief Executive Officer

Dated: 29 April, 2026

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Report of Independent Registered Public Accounting Firm (PCAOB ID 2814)	F-2
Consolidated Financial Statements:	
Group Statement of Comprehensive Income	F-3
Group Statement of Financial Position	F-4
Group Statements of changes in Equity	F-5
Group Statement of Cash Flows	F-6
Notes to the Financial Statements.	F-8

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of Argo Blockchain plc

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated statements of financial position of Argo Blockchain plc and its subsidiaries (the “Group”) as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of cash flows and consolidated statements of changes in equity for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### **Emphasis of matter – Restructuring**

As discussed in Note 21 – Restructuring plan, the Group underwent a court-sanctioned restructuring which resulted in the recapitalisation of Group. Our opinion is not modified with respect to this matter.

#### **Basis for opinion**

These consolidated financial statements are the responsibility of the Group’s management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

PKF Littlejohn LLP

We have served as the Company’s auditor since 2019.

London, England

Date: 29/04/2026

# ARGO BLOCKCHAIN PLC

## GROUP STATEMENT OF COMPREHENSIVE INCOME

Continuing operations	Note	Year Ended December 2025 \$'000	Year Ended December 2024 \$'000	Year Ended December 2023 \$'000
Revenues	7	15,521	47,017	50,558
Power and hosting costs		(12,629)	(32,887)	(35,964)
Power Credits		—	1,498	7,163
Depreciation – mining hardware	17	(2,605)	(14,171)	(18,656)
<b>Gross profit/(loss)</b>		<b>287</b>	<b>1,457</b>	<b>3,101</b>
Operating Costs	8	(11,050)	(12,536)	(18,949)
Gain on hedging		—	(487)	—
Share based payment charge	22	(2,636)	(3,759)	(3,892)
<b>Operating profit/(loss)</b>		<b>(13,399)</b>	<b>(15,325)</b>	<b>(19,740)</b>
Gain/(loss) on sale of investments		—	(842)	36
Write off of investment	15	—	—	(2,236)
Gain/(loss) on disposal of fixed assets		634	(429)	—
Investment fair value movement		(300)	—	—
Finance costs	8	(4,202)	(6,810)	(11,556)
Other income		157	708	346
Impairment of tangible fixed assets	17	(609)	(31,498)	(855)
Gain/(Loss) on disposal of intangible assets	16	98	(98)	1,166
Impairment of intangible assets	16	(121)	(468)	(1,082)
Equity accounted loss from associate		—	—	(716)
Gain on extinguishment of debt		22,414	—	—
<b>Profit/(loss) before taxation</b>		<b>4,672</b>	<b>(54,762)</b>	<b>(34,637)</b>
<b>Tax credit/(expense)</b>	13	412	(340)	—
<b>Profit/(loss) after taxation</b>		<b>5,084</b>	<b>(55,102)</b>	<b>(34,637)</b>
<b>Other comprehensive income</b>				
Currency translation reserve		(490)	(241)	(1,175)
<b>Total other comprehensive profit/(loss)</b>		<b>(490)</b>	<b>(241)</b>	<b>(1,175)</b>
<b>Total comprehensive profit/(loss) attributable to the equity holders of the Company</b>		<b>4,594</b>	<b>(55,343)</b>	<b>(35,812)</b>
<b>Profit/(loss) per share attributable to equity owners (cents)</b>				
Basic and diluted earnings/(loss) per share	12	0.0023	(0.09)	(0.07)

# ARGO BLOCKCHAIN PLC

## GROUP STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2025 \$'000	As at 31 December 2024 \$'000	As at 31 December 2023 \$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investments at fair value through income or loss	15	—	300	400
Intangible fixed assets	16	5,437	176	888
Property, plant and equipment	17	11,321	7,071	59,728
Right of use assets		1,894	—	—
<b>Total non-current assets</b>		<b>18,652</b>	<b>7,547</b>	<b>61,016</b>
<b>Current assets</b>				
Trade and other receivables	19	645	2,451	2,480
Prepays	19	1,187	628	1,355
Intangible fixed assets	20	42	6	385
Cash and cash equivalents		2,204	8,626	7,443
		<b>4,078</b>	<b>11,711</b>	<b>11,663</b>
Assets held for sale	14	—	—	3,261
<b>Total Assets</b>		<b>22,730</b>	<b>19,258</b>	<b>75,940</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Common Stock	23	38,627	938	712
Additional paid-in capital	23	263,730	232,257	209,779
Share based payment reserve	24	16,839	15,162	12,166
Currency translation reserve	24	(31,256)	(30,766)	(30,525)
Accumulated surplus (loss)	24	(275,040)	(247,076)	(191,974)
<b>Total equity</b>		<b>12,900</b>	<b>(29,485)</b>	<b>158</b>
<b>Current liabilities</b>				
Trade and other payables	25	6,325	8,184	11,175
Income Tax		—	398	—
Loans and Borrowings	26	1,598	857	14,320
Lease liability		133	—	—
		<b>8,056</b>	<b>9,439</b>	<b>25,495</b>
Liabilities held for sale	14	—	—	2,090
<b>Total current liabilities</b>		<b>8,056</b>	<b>9,439</b>	<b>27,585</b>
<b>Non-current liabilities</b>				
Issued debt - bond	26	—	39,304	38,170
Loans	26	—	—	10,027
Lease liability		1,774	—	—
<b>Total liabilities</b>		<b>9,830</b>	<b>48,743</b>	<b>75,782</b>
<b>Total equity and liabilities</b>		<b>22,730</b>	<b>19,258</b>	<b>75,940</b>

The Group financial statements were approved by the board of directors on 24th April 2026 and authorized for issue; they are signed on its behalf by:

**Justin Nolan Chief Executive Officer**

The accounting policies and notes form part of the financial statements.

Registered number: 11097258

# ARGO BLOCKCHAIN PLC

## GROUP STATEMENT OF CHANGES IN EQUITY

(U.S. dollars in thousand)	Common Stock \$'000	Additional paid in Capital \$'000	Currency translation reserve \$'000	Share based payment reserve \$'000	Accumulated surplus/ (deficit) reserve \$'000	Total \$'000
<b>Balance at 1 January 2025</b>	<b>938</b>	<b>232,257</b>	<b>(30,766)</b>	<b>15,162</b>	<b>(247,076)</b>	<b>(29,485)</b>
<b>Total comprehensive Profit/(loss) for the period:</b>						
Profit/(Loss) for the period	—	—	—	—	5,084	5,084
Other comprehensive Profit/(loss)	—	—	(490)	—	—	(490)
<b>Total comprehensive Profit/(loss) for the period</b>	<b>—</b>	<b>—</b>	<b>(490)</b>	<b>—</b>	<b>5,084</b>	<b>4,594</b>
<b>Transactions with equity owners:</b>						
Common Stock Issued	37,681	7,533	—	—	—	45,214
Share based compensation charge	—	—	—	2,648	—	2,648
Common stock options/warrants exercised	8	963	—	(971)	—	—
Share issue costs	—	(10,071)	—	—	—	(10,071)
Transfer between reserves	—	33,048	—	—	(33,048)	—
<b>Total transactions with equity owners</b>	<b>37,689</b>	<b>31,473</b>	<b>—</b>	<b>1,677</b>	<b>(33,048)</b>	<b>37,791</b>
<b>Balance at 31 December 2025</b>	<b>38,627</b>	<b>263,730</b>	<b>(31,256)</b>	<b>16,839</b>	<b>(275,040)</b>	<b>12,900</b>

(U.S. dollars in thousand)	Common Stock	Additional paid in Capital	Currency translation reserve	Share based payment reserve	Accumulated surplus/ (deficit) reserve	Total
<b>Balance at 1 January 2024</b>	<b>712</b>	<b>209,779</b>	<b>(30,525)</b>	<b>12,166</b>	<b>(191,974)</b>	<b>158</b>
<b>Total comprehensive loss for the period:</b>						
Loss for the period	—	—	—	—	(55,102)	(55,102)
Other comprehensive loss	—	—	(241)	—	—	(241)
<b>Total comprehensive loss for the period</b>	<b>—</b>	<b>—</b>	<b>(241)</b>	<b>—</b>	<b>(55,102)</b>	<b>(55,343)</b>
<b>Transactions with equity owners:</b>						
Common Stock Issued	220	21,635	—	—	—	21,855
Share based compensation charge	—	—	—	3,845	—	3,845
Common stock options/warrants exercised	6	843	—	(849)	—	—
<b>Total transactions with equity owners</b>	<b>226</b>	<b>22,478</b>	<b>—</b>	<b>2,996</b>	<b>—</b>	<b>25,700</b>
<b>Balance at 31 December 2024</b>	<b>938</b>	<b>232,257</b>	<b>(30,766)</b>	<b>15,162</b>	<b>(247,076)</b>	<b>(29,485)</b>

(U.S. dollars in thousand)	Common Stock \$'000	Additional paid in Capital \$'000	Currency translation reserve \$'000	Share based payment reserve \$'000	Accumulated surplus/ (deficit) reserve \$'000	Total \$'000
<b>Balance at 1 January 2023</b>	<b>634</b>	<b>202,103</b>	<b>(29,350)</b>	<b>8,528</b>	<b>(157,337)</b>	<b>24,578</b>
<b>Total comprehensive loss for the period:</b>						
Loss for the period	—	—	—	—	(34,637)	(34,637)
Other comprehensive loss	—	—	(1,175)	—	—	(1,175)
<b>Total comprehensive loss for the period</b>	<b>—</b>	<b>—</b>	<b>(1,175)</b>	<b>—</b>	<b>(34,637)</b>	<b>(35,812)</b>
<b>Transactions with equity owners:</b>						
Common Stock Issued	78	7,676	—	—	—	7,754
Share based compensation charge	—	—	—	3,892	—	3,892
Common stock options/warrants exercised	—	—	—	(254)	—	(254)
<b>Total transactions with equity owners</b>	<b>78</b>	<b>7,676</b>	<b>—</b>	<b>3,638</b>	<b>—</b>	<b>11,392</b>
<b>Balance at 31 December 2023</b>	<b>712</b>	<b>209,779</b>	<b>(30,525)</b>	<b>12,166</b>	<b>(191,974)</b>	<b>158</b>

# ARGO BLOCKCHAIN PLC

## GROUP STATEMENT OF CASHFLOWS

(U.S. dollars in thousands)	Note	Year Ended December 2025	Year Ended December 2024	Year Ended December 2023
<b>Cash flows from operating activities</b>				
Loss before tax		4,672	(54,762)	(34,637)
<b>Adjustments for:</b>				
Depreciation and amortisation	16,17	3,146	14,909	20,129
Foreign exchange movements		(196)	(458)	(1,914)
Loss on disposal of tangible assets		(634)	429	—
Finance cost	8	4,202	6,810	11,556
Loss on sale of subsidiary and investment		—	842	(36)
Revenue from digital assets	7	(15,521)	(47,017)	(50,558)
Impairment of intangible digital assets	16	122	468	654
Impairment of property, plant and equipment	17	610	31,498	855
Write off of investment		—	—	2,236
Share of loss from associate		—	—	716
Gain/(loss) on disposal and impairment of intangible assets (current)		(54)	98	(738)
Hedging (gain)/Loss		—	487	—
Interest received		(92)	(307)	—
Stock based compensation expense		2,648	3,759	3,892
Gain on extinguishment of debt	21	(22,413)	—	—
Gain on disposal of intangible fixed assets (non current)		(1)	—	—
Fair value movements on digital assets held		(42)	—	—
Fair value loss on investment	15	300	—	—
<b>Working capital changes:</b>				
(Increase)/decrease in trade and other receivables	19	1,247	756	(1,152)
Increase/(decrease) in trade and other payables	25	(2,999)	(2,310)	1,041
<b>Net cash generated from operating activities</b>		<b>(25,006)</b>	<b>(44,798)</b>	<b>(47,956)</b>
<b>Investing activities</b>				
Interest received		15	307	—
Purchase of hedging instruments		—	(1,000)	—
Proceeds from sale of hedging instruments		—	487	—
Proceeds from sale of digital assets	20	15,427	47,594	51,866
Proceeds from sale of investment/subsidiary	14	—	6,745	50
Purchase of tangible fixed assets	17	(126)	—	(1,112)
Proceeds from disposal of intangible fixed assets		31	—	—
Proceeds from disposal of tangible fixed assets		2,278	891	—
<b>Net cash used in investing activities</b>		<b>17,625</b>	<b>55,024</b>	<b>50,804</b>
<b>Financing activities</b>				
Increase in loans	26	—	1,287	1,429
Proceeds from borrowings		5,253	—	—
Loan repayments		(399)	(26,242)	(14,064)
Interest paid		(1,889)	(6,224)	(10,661)
Proceeds from common stock issued - net of issue costs		(1,913)	21,855	7,518
<b>Net cash (used in) generated from financing activities</b>		<b>1,052</b>	<b>(9,324)</b>	<b>(15,778)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(6,329)</b>	<b>902</b>	<b>(12,930)</b>
Effect of foreign exchange on cash and cash equivalents		(93)	281	281
Cash and cash equivalents at beginning of period		8,626	7,443	20,092
Cash and cash equivalents at end of period		<b>2,204</b>	<b>8,626</b>	<b>7,443</b>

# ARGO BLOCKCHAIN PLC

## Material non-cash movements:

	Year ended 31 December 2025 \$'000
Recognition of right of use assets and corresponding lease liabilities	1,910
Tangible fixed assets acquired through the issue of equity	9,469
Intangible fixed assets acquired through the issue of equity	5,400
Debt equity conversion - 8.75% Senior notes	42,226
Debt equity conversion - Short term borrowings	7,781
<b>Total Material non-cash movements</b>	<b>66,786</b>

## Group - net debt reconciliation

		Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000	Year ended 31 December 2023 \$'000
<b>Group - net debt reconciliation</b>				
Current loans and borrowings	26	1,598	(20)	(14,320)
Non-current issued debt – bonds	26	—	(39,304)	(38,170)
Non-current loans and borrowings	26	—	(837)	(10,027)
Cash and cash equivalents		2,204	8,626	7,443
<b>Total net cash/(debt)</b>		<b>3,802</b>	<b>(31,535)</b>	<b>(55,074)</b>

# ARGO BLOCKCHAIN PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 1. COMPANY INFORMATION

Argo Blockchain PLC (“the company”) is a public company, limited by shares, and incorporated in England and Wales. The registered office is Eastcastle House, 27-28 Eastcastle Street, London, W1W 8DH. The company was incorporated on 5 December 2017 as GoSun Blockchain Limited and changed its name to Argo Blockchain Limited on 21 December 2017. Also on 21 December 2017, the company re-registered as a public company, Argo Blockchain plc. Argo Blockchain plc acquired a 100% subsidiary, Argo Innovation Labs Inc. (together “the Group”), incorporated in Canada, on 12 January 2018.

On 4 March 2022 the Group acquired 100% of the share capital of DPN LLC and was merged into new US entity Argo Innovation Facilities (US) Inc (also 100% owned by Argo Blockchain plc).

On 11 May 2022 the Group acquired 100% of the share capital of 9377-2556 Quebec Inc and 9366-5230 Quebec Inc. These are held by Argo Innovation Labs Inc. (Canada).

On 22 November 2022, the Group formed Argo Operating US LLC and Argo Holdings US Inc.

On 21 December 2022, Argo Innovation Facilities (US) Inc became Galaxy Power LLC. On 28 December 2022, the Group sold Galaxy Power LLC.

On 12 December 2025, as part of the Group’s restructuring plan, the company acquired 100% of the equity of Growler USCo Inc.

The principal activity of the group is that of Bitcoin mining.

As part of the restructuring completed in December 2025, the company’s ordinary shares were delisted from the London Stock Exchange, and the company’s 8.75% senior bonds were cancelled and extinguished in full. The American Depositary Receipt of the company are listed under the trading symbol ARBK on Nasdaq.

The financial statements cover the year ended 31 December 2025.

### 2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with international financial reporting standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Standards Interpretations Committee (“IFRIC”). The financial statements have been prepared under the historical cost convention, except for the measurement to fair value certain financial and digital assets and financial instruments as described in the accounting policies below.

#### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are disclosed in Note 6.

### 3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are below.

#### **Presentation Currency**

The Group changed its presentational currency to U.S. dollars during 2023 due to the fact its revenues, direct costs, capital expenditures and debt obligations are predominantly denominated in U.S. dollars.

# ARGO BLOCKCHAIN PLC

## Going Concern

The preparation of the consolidated financial statements requires an assessment of the Group's ability to continue as a going concern.

During 2025, the Group's financial position was impacted by the cessation of the Galaxy hosting arrangement at the end of 2024, which required the removal and refurbishment of approximately 23,000 mining machines for redeployment at air-cooled facilities. The associated refurbishment costs and reduced mining output during the first quarter of 2025 placed pressure on liquidity.

On December 12, 2025, the Company completed a court-sanctioned restructuring plan which recapitalised the Group, eliminated its 8.75% senior notes due 2026, converted the Growler loan into equity and introduced additional capital. Following completion of the restructuring, Growler Mining Tuscaloosa LLC became the Company's controlling shareholder. The restructuring significantly strengthened the Group's balance sheet and removed near-term debt service obligations. Please see note 21 for additional information on the restructuring.

As at 31 December 2025, the Group had a cash balance of \$2.2 million.

The Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. Revenue forecasts are based on assumptions regarding Bitcoin price, network output and the Group's operating hashrate. The model assumes Bitcoin prices increase from an average of \$68,869 in February 2026 to \$145,281 by December 2027, based on a 3.85% compound monthly growth rate derived from historical trends. Network output assumptions reflect a decline consistent with observed post-halving difficulty increases, and production is based on expected fleet hashrate and deployment.

Power costs are forecast based on contracted and estimated rates across operating sites. Where mining economics are unfavourable, the Group assumes curtailment of operations to minimum contracted levels, including approximately 5 MW in Canada and 2 MW per site in Alabama. In addition, operational flexibility in Alabama allows for reduced uptime during peak summer pricing periods, reducing exposure to elevated power costs.

The forecasts demonstrate that the Group is expected to maintain sufficient liquidity and meet its obligations as they fall due throughout the assessment period. The Directors have also considered reasonably possible downside scenarios, including reductions in Bitcoin price and increases in power costs, and have taken into account the Group's ability to curtail operations, manage discretionary expenditure and optimise fleet deployment in response to changing market conditions.

In addition, the Group has access to funding from its controlling shareholder, including a subscription facility of up to \$5.0 million. A non-binding letter of support from the controlling shareholder has also been obtained by the Group in respect of certain liabilities, should the need arise. The facility has been drawn down on subsequent to year end and \$2.5m remains available to the Group to provide additional liquidity support if required.

Based on these forecasts and available mitigating actions, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis and no material uncertainty has been identified.

# ARGO BLOCKCHAIN PLC

## Mining Revenue Recognition

The provision of hash calculation services is an output of our ordinary activities from the Company's mining equipment. The Company has entered into arrangements with a Mining pool and has undertaken the performance obligation of providing computing power used for hashing calculations to the Mining pool in exchange for noncash consideration in the form of cryptocurrency, which is variable consideration. Providing our computing power is at the Company's discretion and our enforceable right to compensation begins when, and continues for as long as, services are provided. The cryptocurrency earnings are calculated based on a formula which, in turn, is based on the hashrate contributed by the Company's provided computing power used for hashing calculations allocated to the Mining pool, assessed over a 24-hour period, and distributed daily based on the Full Pay Per Share ("FPPS") methodology. The Company assesses the estimated amount of the variable non-cash consideration to which it expects to be entitled for providing computational power used for hashing calculations at contract inception and subsequently measures if it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The uncertainties regarding the daily variable consideration to which the Company is entitled for providing its computational power used for hashing calculations are no longer constrained at 23:59:59 UTC regardless of the timing of the BTC received. The amount earned is calculated based on the Company's computing power used for hashing calculations provided to the Mining pool and the estimated (i) block subsidies and (ii) daily average transaction fees which the Mining Pool expects to earn, less (iii) a Mining pool discount.

1. Block subsidies refers to the block reward that are expected to be generated on the BTC network as a whole. The fee earned by the Company is first calculated by dividing (a) the total amount of hashrate the Company provides to the Mining pool operator, by (b) the total BTC network's implied hashrate (as determined by the BTC network difficulty), multiplied by (c) the total amount of block subsidies that are expected to be generated on the BTC network as a whole.
2. Transaction fees refer to the total fees paid by users of the network to execute transactions. The fee paid out by the Mining pool operator to the Company is further calculated by dividing (a) the total amount of transaction fees that are actually generated on the BTC network as a whole less the 3 largest and 3 smallest transactions per block, by (b) the total amount of block subsidies that are actually generated on the BTC network as a whole, multiplied by (c) the Company's fee earned as calculated in (i) above. The Company is entitled to its relative share of consideration even if a block is not successfully added to the blockchain by the mining pool.
3. Mining pool discount refers to the discount applied to the total FPPS payout otherwise attributed to computing power service providers for their sale of computing power used for hashing calculations as defined in the rate schedule of the agreement with the Mining pool operator.

The Company is entitled to the fee from the Mining Pool as calculated above regardless of the actual performance of the Mining Pool operator. Therefore, even if the Mining Pool does not successfully add any block to the blockchain in a given contract period, the fee remains payable by the Mining Pool to the Company. Accordingly, the Company is not sharing in the earnings of the Mining pool operator. The Company's agreements with the Mining pool operator provide the Mining pool operator and the Company with the enforceable right to terminate the contract at any time without substantively compensating the other party for the termination. Upon termination, the Mining pool operator is required to pay the Company the amount due related to previously satisfied performance obligations. As a result, the Company has determined that the duration of the contract is less than 24 hours and the contract is continuously renewed throughout the day. The Company has also determined that the Mining pool operator's renewal right is not a material right as the terms, conditions, and compensation amounts are at then-current market rates. The cryptocurrency earned is received in full and can be paid in fractions of cryptocurrency. Revenues from providing cryptocurrency computational power used for hashing calculations are recognized upon delivery of the service over a 24-hour period, which generally coincides with the receipt of crypto assets in exchange for the provision of computational power used for hashing calculations and the contract inception date. The Company updates the estimated transaction price of the noncash consideration received at its fair market value. Management estimates fair value daily based on the quantity of cryptocurrency received multiplied by the price quoted from Coingecko on the day it was received. Management considers the prices quoted on Coingecko to be a level 1 input under IFRS 13, Fair Value Measurement.

## **ARGO BLOCKCHAIN PLC**

Power Credits- Power credits are credits we received in Texas when we curtailed our mining production and sold the power back to the grid. The hosting agreement with Galaxy allowed Argo to share in the proceeds from those curtailments, which occurred when the Helios facility monetized its fixed-price PPA during periods of high power prices. The Company records power credits in the period they are earned provided they are estimable and recoverable.

### **Basis of consolidation**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The group consists of Argo Blockchain plc and its wholly owned subsidiaries Growler USco Inc, Argo Innovation Labs Inc, Argo Operating US LLC and Argo Holdings US Inc and 9377-2556 and Argo Innovation Labs Ltd. Argo Innovation Labs Ltd has been dormant since incorporation.

The consolidated financial statements incorporate those of Argo Blockchain plc and all of its subsidiaries (i.e., entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

### **Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

# ARGO BLOCKCHAIN PLC

## Segmented reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the CEO or equivalent. The directors consider that the Group has only one significant reporting segment being crypto mining which is fully earned by USA subsidiary for the financial year ended 31 December 2025.

## Loans and issued debt

Loans and issued debt are recognised initially at fair value, net of transaction costs incurred. Loans and issued debt are subsequently carried at amortised cost; any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method. Loans and issued debt are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Loans and borrowings and issued debt are classified as current liabilities unless the Group has an unconditional right to defer settlement of a liability for at least 12 months after the end of the reporting period.

## Intangible assets non-current

Intangible fixed assets comprise of the Group's website and digital assets and power supply contracts. The Group's website is recognised at cost and is amortised over its useful life. Amortisation is recorded within administration expenses. Digital assets not mined by the group are accounted for as intangible fixed assets under IAS 38, these assets are initially measured at cost and subsequently measured at fair value.

Increases in the carrying amount arising on revaluation of digital assets are recognised in other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the fair value reserve directly in equity; all other decreases are charged to the income statement.

The fair value of intangible cryptocurrencies on hand at the end of the reporting period is calculated as the quantity of cryptocurrencies on hand multiplied by price quoted on [www.coinbase.com](http://www.coinbase.com) for 2025 and 2024, [www.coingecko.com](http://www.coingecko.com), for 2023 and prior years, two of the leading crypto websites, as at the reporting date.

Goodwill is initially measured at cost (being the excess of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held of the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the difference is recognised in profit or loss.

As part of the Group's restructuring completed in December 2025, the Group acquired power supply contracts which are recognised as intangible assets. These contracts represent the right to access electricity at specified rates and are critical to the Group's cryptocurrency mining operations. The power contracts are initially recognised at cost, being their fair value at the date of acquisition.

Power supply contracts are amortised on a straight-line basis over the term of the underlying agreements, reflecting the period over which the economic benefits are expected to be consumed. The useful lives are reviewed at each reporting date. Where indicators of impairment exist, the carrying value of the contracts is assessed in accordance with the Group's impairment policy.

## Tangible fixed assets

Tangible fixed assets are comprised of right of use assets, office equipment, mining and computer equipment, data centers, leasehold improvements, and electrical equipment.

## **ARGO BLOCKCHAIN PLC**

Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Office equipment assets are measured at cost, less any accumulated depreciation and impairment losses. Office equipment is depreciated over 3 years on a straight-line basis.

Mining and computer equipment and leasehold improvements: Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their estimated useful lives. It is 3 to 4 years in the case of mining and computer equipment and 5 years in the case of the leasehold improvements, on a straight-line basis.

Data centers: Depreciation on the data centers is recognized so as to write off the cost or valuation of assets less their residual values over their estimated useful lives of 25 years on a straight-line basis from when they are brought into use. Depreciation is recorded in the Income Statement within general administrative expenses once the asset is brought into use. Any land component is not depreciated.

Electrical equipment: Depreciation is recognized on a straight-line basis to write off the cost less their residual values over their estimated useful lives of 7 years.

Management assesses the useful lives based on historical experience with similar assets as well as anticipation of future events which may impact their useful life.

### **Assets Held for Resale**

An asset is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, which is when the sale is highly probable, and it is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Assets classified as held for sale are measured at the lower of the carrying amount upon classification and the fair value less costs to sell. Assets classified as held for sale and the associated liabilities are presented separately from other assets and liabilities in the Consolidated Balance Sheet. Once assets are classified as held for sale, property, plant and equipment and intangible assets are no longer subject to depreciation or amortisation.

### **Impairment of non-financial assets**

At each reporting period end date, the Group reviews the carrying amounts of its non-financial assets 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 the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### **Intangible assets current**

Historically, the Group accounted for cryptocurrency mined and held at the reporting date in accordance with IAS 38 *Intangible Assets*. Cryptocurrency mined by the Group was initially recognized as an intangible asset with an indefinite useful life and measured at the fair value of the cryptocurrency at the date of receipt. Subsequent measurement was performed under the revaluation model. Under this model, increases in the carrying amount arising on revaluation were recognized in other comprehensive income and accumulated in equity within a revaluation surplus, except to the extent that the increase reversed a revaluation decrease previously recognized in profit or loss. Decreases in the carrying amount were recognized in profit or loss, except to the extent that the decrease reversed a previous revaluation increase recognized in other comprehensive income. Upon disposal of cryptocurrency, any related revaluation surplus was transferred directly to retained earnings.

## ARGO BLOCKCHAIN PLC

The Group revalued its cryptocurrency holdings on a monthly basis and following any significant fluctuations in fair value. Fair value was determined by reference to quoted prices from active markets, using observable prices available from established cryptocurrency pricing platforms at the reporting date. Cryptocurrency on hand at the end of the reporting period was presented as an intangible asset classified as a current asset, based on management's expectation that the asset would be realized within twelve months and that the market for the cryptocurrency was sufficiently liquid.

Following developments in regulatory and accounting guidance applicable to SEC-registered entities, including the introduction of mandatory fair value accounting for crypto-assets under US GAAP and increased regulatory emphasis on comparability and fair value transparency, management reassessed the appropriateness of applying the IAS 38 revaluation model to the Group's cryptocurrency holdings.

As a result of this reassessment, the Group has changed its accounting policy and now measures cryptocurrencies at fair value through profit or loss, as this approach better reflects the economic substance of holding cryptocurrency as a highly liquid, actively traded asset and provides more relevant and transparent financial information to users of the financial statements.

Under the revised policy, cryptocurrencies held by the Group are measured at fair value at each reporting date in accordance with IFRS 13 *Fair Value Measurement*, with all changes in fair value recognized directly in profit or loss in the period in which they arise. Fair value is determined using quoted prices in an active market, based on observable prices from established cryptocurrency exchanges or pricing platforms at the reporting date. Cryptocurrencies are presented as current assets, as the Group expects to realize these assets within its normal operating cycle. Upon disposal of cryptocurrency, the difference between the carrying amount and the proceeds received is recognized in profit or loss. This change eliminates the use of a revaluation reserve and aligns the accounting treatment of cryptocurrency more closely with its liquidity, volatility, and trading characteristics.

Management believes the revised policy enhances comparability with other SEC-registered entities, provides more decision-useful information by reflecting fair value movements in earnings as they arise, and better aligns the financial statement presentation with the economic characteristics of cryptocurrency.

The change in accounting policy has been applied in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Prior-period comparative information has not been restated, as the impact of applying the revised accounting policy retrospectively was assessed to be immaterial.

Digital assets not mined by the Group are recorded as Intangible Fixed Assets.

### **Cash and cash equivalents**

Cash and cash equivalents are comprised of cash held at banks with high credit ratings. The Group considers the credit risk on cash and cash equivalents to be limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

### **Financial instruments**

Financial assets: Financial assets are recognised in the Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition. Financial assets are subsequently measured at amortised cost, fair value through OCI, or fair value through profit and loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

## ARGO BLOCKCHAIN PLC

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement: For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Equity Instruments: The Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

Financial assets at amortised cost (debt instruments): This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include other receivables and cash and cash equivalents.

Derecognition: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated Balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

## ARGO BLOCKCHAIN PLC

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

**Impairment of financial assets:** The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Financial liabilities:** Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

**Subsequent measurement:** The measurement of financial liabilities depends on their classification, as described below:

**Loans and trade and other payables:** After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income. This category generally applies to trade and other payables.

**Derecognition:** A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss or other comprehensive income.

**Equity instruments:** Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

# ARGO BLOCKCHAIN PLC

## Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the 10-year US Government Bond Yield as the discount rate, which is not materially different to the Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## Taxation

The tax expense or recovery represents the sum of tax currently payable or receivable and deferred tax.

**Current tax:** The tax currently payable or receivable is based on taxable profit or loss for the year. Taxable profit or loss differs from net profit or loss as reported in the income statement 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax:** Deferred tax is the tax expected to be payable or recoverable 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 and is accounted for using the balance sheet liability method. 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 can be utilised. Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

## **ARGO BLOCKCHAIN PLC**

The carrying amount of deferred tax assets is reviewed at each reporting end date 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. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The group does not have any pension schemes.

### **Share-based payments**

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

Cancellations or settlements are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

### **RSUs (Restricted Stock Units)**

Where RSUs are granted to employees, the fair value of the RSUs at grant date is based upon the market price of the shares underlying the awards and is charged to the Statement of Comprehensive Income over the vesting period. The expense charged is adjusted based on actual forfeitures.

### **Foreign exchange**

Transactions in currencies other than US dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are determined in foreign currencies are retranslated at the rates prevailing on the reporting end date-Gains and losses arising on translation are included in the income statement for the period. At each reporting end date, non-monetary assets and liabilities that are determined in foreign currencies are retranslated at the rates prevailing on the opening balance sheet date. Gains and losses arising on translation of subsidiary undertakings are included in other comprehensive income and contained within the foreign currency translation reserve.

### **Earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

## ARGO BLOCKCHAIN PLC

- Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

### 4. FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance. Risk management is undertaken by the board of directors.

#### Market Risk

The Group is dependent on the state of the cryptocurrency market, sentiments of crypto assets as a whole, as well as general economic conditions and their effect on exchange rates, interest rates and inflation rates. The Group now sells its Bitcoin production as it is mined to reduce the impact of Bitcoin prices.

The Group is also subject to market fluctuations in foreign exchange rates. The subsidiary (Argo Innovation Labs Inc.) is based in Canada, and transacts in CAD\$, U.S. dollars and GBP. 9377-2556 Quebec Inc. and 9366-5230 Quebec Inc. are based in Canada and transact in CAD\$. Argo Holdings US Inc., Argo Operating US LLC and Growler USCo Inc are located in the United States of America and transacts in U.S. dollars. The Group bond is denominated in U.S. dollars. Cryptocurrency is primarily convertible into fiat through U.S. dollar currency pairs and through U.S. dollar denominated stable coins and is the primary method for the Group for conversion into cash. The Group maintains bank accounts in all applicable currency denominations.

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonable possible change in GBP and CAD\$ exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in GBP rate	Effect on profit before tax \$'000
2025	+/-10 %	+/-218
2024	+/-10 %	+/-2
	Change in CAD\$ rate	Effect on profit before tax \$'000
2025	+/-10 %	+/-368
2024	+/-10 %	+/-172

# ARGO BLOCKCHAIN PLC

## Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on the portion of the loans and borrowings affected. With other variables held constant, the impact on the Group's profit before tax is affected through the impact on floating rate borrowings, as follows.

	Increase/decrease in basis points	Effect on profit before tax \$'000
2025	+/-180	+/-5
2024	+/-180	+/-15

## Credit risk

Credit risk arises from cash and cash equivalents as well as any outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the board of directors.

The Group considers the credit risk on cash and cash equivalents to be limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements represents the Group's and Company's maximum exposure to credit risk. The Group and Company do not hold any collateral or other credit enhancements to cover this credit risk.

## Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Management updates cashflow projections on a regular basis and closely monitors the cryptocurrency market on a daily basis. Accordingly, the Group's controls over expenditure are carefully managed, in order to maintain its cash reserves. The Treasury committee meets on a weekly basis to make decisions around future cashflows and working capital requirements. Decisions may include considering debt/equity options alongside selling Bitcoin.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings, based on the remaining period at the Statement of Financial Position to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group complied with all covenants during the year and through to the reporting date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<b>At 31 December 2025</b>				
Loans	1,598	—	—	—
Issued debt - bonds	—	—	—	—
<b>At December 2024</b>				
Loans	439	418	—	—
Issued debt - bonds	—	—	39,304	—

# ARGO BLOCKCHAIN PLC

## Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure.

## 5. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The Group has adopted all recognition, measurement and disclosure requirements of IFRS, including any new and revised standards and Interpretations of IFRS, in effect for annual periods commencing on or after 1 January 2023. The adoption of these standards and amendments did not have any material impact on the financial result or position of the Group.

At the date of authorisation of these financial statements, the following Standards and Interpretation, which have not yet been applied in these financial statements, were in issue but not yet effective:

Standard or Interpretation	Description	Effective date for annual accounting period beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
	Amendments to the Classification and Measurement of Financial Instruments. Contracts referencing Nature-dependant Electricity	
IFRS 7/9 (amendments)	Disclosures – Gain or Loss on Derecognition, Credit Risk,	1 January 2026
IFRS 7 (Amendments)	Determination of a 'de-facto agent,'	1 January 2026
IFRS 10 (Amendments)	Derecognition of Lease Liabilities	1 January 2026
IFRS 9 (Amendments)		

The Group has not early adopted any of the above standards and intends to adopt them when they become effective.

## 6. KEY JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

### Valuation of tangible fixed assets- Note 17

The directors considered whether any impairments were required on the value of the property, plant and equipment. In doing so they made use of forecasts of revenues and expenditure prepared by the Group and came to the conclusion that impairment of those assets was required based on current forecasts. Key assumptions include Bitcoin production, hashprice, power prices and discount rate.

### Share-based payments – Note 22

The company has issued options and warrants to Directors, consultants and employees which have been valued in accordance with the Black Scholes model. Significant estimation and judgement is required in determining the assumptions under the Black Scholes method. Further details of these estimates are available in note 22.

## ARGO BLOCKCHAIN PLC

The company has issued restricted stock units (RSUs) and performance stock units (PSUs) to employees which have been valued based on the share price on the date of the award. The RSUs were scheduled to vest over three years, beginning six months after the award and then every three months thereafter. It was assumed that employees would meet each vesting period and a related expense was recorded each month. If an employee's employment was terminated prior to a vesting date, the prior expense for that vesting period was reversed. PSUs are amortised over the vesting period based on the most likely outcome of the performance metrics.

Following the company's de-listing from the London Stock Exchange as part of the restructuring, all outstanding RSUs and PSUs were cancelled.

### Taxation and Contingent liabilities – Notes 13 and 28

The Group is subject to tax liabilities (both income and excise taxes) as assessed by the tax authorities in the jurisdictions in which it operates. The Group has recorded its tax liabilities based on the information which it has available, as described in Note 13.

However, a tax authority could challenge our allocation of income, transfer pricing and eligibility for input tax credits or assert that we are subject to a tax in a jurisdiction where we believe we have not established a taxable connection. If successful, these challenges could increase our expected tax liability in one or more jurisdictions.

### 7. REVENUES

	2025 \$'000	2024 \$'000	2023 \$'000
Crypto currency mining – worldwide	15,521	47,017	50,558
<b>Total revenue</b>	<b>15,521</b>	<b>47,017</b>	<b>50,558</b>

Cryptocurrency mining revenues are recognised at a point in time.

### Other Income

In 2024, Argo generated \$1.5 million in power credits (2023: \$7.2 million).

# ARGO BLOCKCHAIN PLC

## 8. EXPENSES BY NATURE

	2025 \$'000	2024 \$'000	2023 \$'000
<b>Administrative expenses</b>			
Salary and other employee related costs	3,568	4,517	6,430
Restructuring and transaction related costs	3,822	2,363	4,969
Insurance	1,048	1,416	2,128
Depreciation and amortisation	541	738	1,473
Legal, professional and regulatory fees	1,408	1,080	1,772
Indirect taxes	—	962	994
Property tax	70	558	919
Consulting fees	53	276	533
Repairs and maintenance	95	50	455
Office general expenses	373	708	349
Public relations and associated activities	170	246	255
Travel	99	80	226
Carbon credits	—	—	129
Foreign exchange	(196)	(458)	(1,683)
<b>Total operating expenses</b>	<b>11,050</b>	<b>12,536</b>	<b>18,949</b>
Finance costs – interest on borrowings and bond	4,202	6,810	11,556
<b>Total finance costs</b>	<b>4,202</b>	<b>6,810</b>	<b>11,556</b>

## 9. AUDITOR'S REMUNERATION

	2025 \$'000	2024 \$'000	2023 \$'000
In relation to statutory audit services	437	326	341

The total group audit fee for the period amounted to \$316,000 (2024: \$331,000).

## 10. EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the period was:

	2025 Number	2024 Number	2023 Number
Directors and employees	20	25	30

  

	2025 \$'000	2024 \$'000	2023 \$'000
Wages and salaries	3,393	4,267	6,017
Social security costs	98	141	250
Pension costs	77	109	163
Share based payments	2,636	3,759	3,892
	<b>6,204</b>	<b>8,276</b>	<b>10,322</b>

# ARGO BLOCKCHAIN PLC

## 11. DIRECTOR'S REMUNERATION

	2025 \$'000	2024 \$'000	2023 \$'000
Director's remuneration for qualifying services	663	818	591
Severance	—	—	765
Share based payments	37	1,247	916
<b>Total remuneration for directors and key management</b>	<b>700</b>	<b>2,065</b>	<b>2,272</b>

Further details of Directors' remuneration are available in note 29.

## 12. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the loss attributable to equity shareholders by the weighted average number of shares in issue.

	2025	2024	2023
Net Profit/(loss) for the period attributable to ordinary equity holders from continuing operations (\$'000)	5,084	(55,102)	(34,637)
Finance Weighted average number of ordinary shares in issue ('000)	2,188,075	607,879	503,917
Basic earnings/(loss) per share for continuing operations (\$USD)	0.0023	(0.09)	(0.07)

The diluted loss per Ordinary Share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to consider the impact of options, warrants and other dilutive securities. As the effect of potential dilutive Ordinary Shares in the current and prior year would be anti-dilutive, they are not included in the above calculation of dilutive earnings per Ordinary Share.

## 13. TAXATION

Current tax:	2025 \$'000	2024 \$'000	2023 \$'000
Current tax recovery on loss for the year	(412)	340	—
<b>Total current tax</b>	<b>(412)</b>	<b>340</b>	<b>—</b>
Deferred tax:	2025 \$'000	2024 \$'000	2023 \$'000
Origination and reversal of temporary differences	—	—	—
<b>Total deferred tax liability</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total tax credit</b>	<b>(412)</b>	<b>340</b>	<b>—</b>

No deferred tax has been recognised on the losses brought forward and carried forward on the UK, Canada and US losses given the uncertainty on the generation of future profits.

# ARGO BLOCKCHAIN PLC

## Income tax expense

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2025 \$'000	2024 \$'000	2023 \$'000
Profit (loss) before taxation	4,672	(54,762)	(34,637)
Expected tax charge (recovery) based on a weighted average of 25% (2022 - 25)% (UK, US and Canada)	1,168	(13,690)	(8,669)
Effect of expenses not deductible in determining taxable profit	(4,223)	(1,839)	851
Temporary differences	2,044	9,936	5,841
Other tax adjustments	(70)	224	18
Capital gains tax	(143)	449	—
Origination and reversal of temporary differences	(412)	—	—
Unutilised tax losses carried forward	1,224	5,260	1,959
<b>Taxation charge in the financial statements</b>	<b>(412)</b>	<b>340</b>	<b>—</b>

In its financial statements for the year ended December 31, 2025, the Group reported a tax benefit of \$412 thousand (December 31, 2024: tax charge of \$340 thousand), related to a reversal of the 2024 income tax provision.

A deferred income tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences, provided it is probable that these benefits will be realized. Deferred income tax assets are reviewed at each reporting date and reduced if it is no longer probable that the tax benefits will be realized. As of December 31, 2025, the Group has tax losses available to offset against future trading profits totaling approximately USD 148.3 million. No deferred tax asset has been recognized on the losses carried forward in the US, Canada, or UK due to uncertainty regarding the Group's capacity to generate future taxable profits. The Group's weighted average applicable tax rate for the year ended December 31, 2025, was 25% (year ended December 31, 2024: 25%).

## Tax disputes (Canada)

Canadian entities within the Group are subject to routine audits of their tax filings by the Canada Revenue Agency ("CRA") and Revenue Quebec ("RQ"). In January 2025, the RQ issued notices of re-assessment to Argo Innovation Labs (the Company) for the 2020, 2021 and 2022 taxation years, totaling USD 7,021,587 in corporate income tax liability and USD 1,868,672 in interest, following the denial of certain expenses and loss carry forwards. In April 2025, the Company filed objections to 2021 and 2022 reassessments, in November 2025 – in relation to 2020 reassessment and is contesting them with RQ. To challenge the reassessment, the Group provided security to regulators amounting to CAD 5,000,000. In November 2025 the Company has also filed a request with Revenue Quebec for determination of losses in respect of its 2019 and 2022 taxation years. The Company has not recorded provisions for the potential tax liabilities. On August 29, 2025, the CRA issued notices of assessment for the tax years ended December 31, 2021, and December 31, 2022, totaling USD 19,155,412 in tax liability and USD 5,485,205 in interest. Management disagreed with the CRA's assessment filed a Notice of Objection in December 2025. Supported by external tax counsel, management maintains that its tax positions are in accordance with applicable tax law requirements.

In applying IAS 12 AND IFRIC 23, the Group has concluded that it is probable that the principal uncertain tax treatments will be accepted by the relevant taxation authorities and, accordingly no material liability has been recognized in respect of these matters. This assessment reflects management's judgement regarding the interpretation of tax law, the status of objections filed, the supporting documentation available, consultation with external tax counsel and the anticipated utilization of available tax losses.

# ARGO BLOCKCHAIN PLC

## Tax Contingency (other jurisdictions)

Other tax authorities may dispute tax positions taken by the Group, potentially resulting in increased tax liabilities. For instance, His Majesty's Revenue & Customs ("HMRC"), the IRS, or other authorities may contest the Group's allocation of income among tax jurisdictions or intercompany transactions, such as transfer pricing and intellectual property payments. Additionally, a tax authority could assert that the Group is liable for taxes in a jurisdiction where the Group has not established a taxable presence; such assertions, if upheld, may increase tax liabilities across one or more jurisdictions.

## 14. INVESTMENT IN SUBSIDIARIES AND LOSS ON SALE OF SUBSIDIARY

### Company

Details of the Company's subsidiaries at 31 December 2025 are as follows:

Name of Undertaking	Country of Incorporation	Ownership Interest (%)	Voting Power Held (%)	Nature of Business
Argo Innovation Labs Inc.	Canada	100 %	100 %	***
9377-2556 Quebec Inc.	Canada	100 %	100 %	**
Argo Holdings US Inc.	USA	100 %	100 %	****
Argo Operating US LLC	USA	100 %	100 %	*
Growler USCo Inc	USA	100 %	100 %	*

\* The provision of cryptocurrency mining services

\*\* The provision of cryptocurrency mining sites

\*\*\* Converted from the provision of cryptocurrency mining services to cost centre in 2023

\*\*\*\* Holding company

Argo Holdings US Inc. was incorporated on November 22, 2023, with a registered office of 1209 Orange Street, Wilmington, Delaware, USA, 19801. The company contributed shares in Argo Innovation Facilities (US) valued at \$65m.

Argo Operations US LLC was formed on November 22, 2022, with a registered office of 1209 Orange Street, Wilmington, Delaware, USA, 19801.

Argo Innovation Facilities (US) Inc was incorporated on 25 February 2022 with a registered address of 2028 East Ben White Blvd. Austin, TX 78740. This entity held the Helios facility and real property in Dickens County, Texas. On 21 December 2023, Argo Innovation Facilities (US) Inc. was converted to Galaxy Power LLC. Galaxy Power LLC was sold on 28 December 2022 pursuant to an equity purchase agreement. The proceeds received for the sale were \$65 million against a book value of \$120 million resulting in a loss on sale for the Group of \$55 million.

Growler USCo Inc was incorporated in December 2025 as part of the Group's restructuring and is the entity through which crypto mining assets contributed by Growler Mining Tuscaloosa LLC are held.

## 15. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Non-current Group	2025 \$'000	2024 \$'000
At 1 January	300	400
Foreign exchange movement	—	—
Additions	—	—
Impairment	(300)	—
Disposals	—	(100)
<b>At 31 December</b>	<b>—</b>	<b>300</b>

# ARGO BLOCKCHAIN PLC

## 16. INTANGIBLE FIXED ASSETS NON-CURRENT

Group	Goodwill \$'000	Digital assets \$'000	Power Contract \$'000	2025 Total \$'000
<b>Cost</b>				
At 1 January 2025	35	5,139	—	5,174
Additions	—	—	5,400	5,400
Disposals	—	(31)	—	(31)
Foreign exchange movement	2	—	—	—
<b>At 31 December 2025</b>	<b>37</b>	<b>5,108</b>	<b>5,400</b>	<b>10,543</b>
<b>Amortisation and impairment</b>				
At 1 January 2025	—	4,998	—	4,998
Foreign exchange movement	—	(6)	—	(8)
Impairment	—	116	—	116
At 31 December 2025	—	5,108	—	5,106
<b>Balance At 31 December 2025</b>	<b>37</b>	<b>—</b>	<b>5,400</b>	<b>5,437</b>

Group	Goodwill \$'000	Digital assets \$'000	2024 Total \$'000
<b>Cost</b>			
At 1 January 2024	112	5,329	5,441
Foreign Exchange Movements	—	(60)	(60)
Disposals	(77)	(130)	(207)
<b>At 31 December 2024</b>	<b>35</b>	<b>5,139</b>	<b>5,174</b>
<b>Amortisation and impairment</b>			
At 1 January 2024	—	4,553	4,553
Foreign exchange movement	—	(28)	(28)
Impairment	—	473	473
At 31 December 2024	—	4,998	4,998
<b>Balance At 31 December 2024</b>	<b>35</b>	<b>141</b>	<b>176</b>

Digital assets are cryptocurrencies not mined by the Group. The Group held crypto assets during the year, which are recorded at cost on the day of acquisition. Movements in fair value between acquisition (date mined) and disposal (date sold), and the movement in fair value in crypto assets held at the year end, impairment of the intangible assets and any increase in fair value are recorded in the fair value reserve.

## ARGO BLOCKCHAIN PLC

The digital assets held below are held in Argo Labs (a division of the Group) as discussed above. The assets are all held in secure custodian wallets controlled by the Group team and not by individuals within the Argo Labs team. The assets detailed below are not accessible and illiquid in nature.

Crypto asset name	Coins / tokens	Fair value \$'000
Polkadot – DOT	182	—
NFT	211	—
Other tokens and other digital assets	N/A	—
<b>As at 31 December 2025</b>	<b>—</b>	<b>—</b>

Crypto asset name	Coins / tokens	Fair value \$'000
Polkadot – DOT	182	1
NFT	211	1
USDC (stable coin – fixed to USD)	31,710	32
Other tokens and other digital assets	N/A	107
<b>As at 31 December 2024</b>	<b>—</b>	<b>141</b>

### 17. TANGIBLE FIXED ASSETS

Group	Mining Machines \$'000	Data Centres \$'000	Equipment \$'000	Total \$'000
<b>Cost</b>				
At 1 January 2025	168,407	690	1,839	170,936
Additions	5,269	126	4,200	9,595
Disposals	(40,299)	—	—	(40,299)
Foreign Exchange movement	27	1	160	173
At 31 December 2025	<u>133,404</u>	<u>817</u>	<u>6,199</u>	<u>140,420</u>
<b>Depreciation and impairment</b>				
At 1 January 2025	(162,450)	(690)	(725)	(163,865)
Foreign exchange movement	(1)	—	(133)	(134)
Depreciation charged	(2,605)	(4)	(537)	(3,146)
Disposals	38,655	—	—	38,655
Impairment in asset	(609)	—	—	(609)
At 31 December 2025	<u>(127,010)</u>	<u>(694)</u>	<u>(1,395)</u>	<u>(129,099)</u>
<b>Carrying amount</b>				
At 1 January 2025	5,957	—	1,114	7,071
At 31 December 2025	<u>6,394</u>	<u>123</u>	<u>4,804</u>	<u>11,321</u>

## ARGO BLOCKCHAIN PLC

Group	Mining Machines \$'000	Data Centers \$'000	Equipment \$'000	Total \$'000
<b>Cost</b>				
At 1 January 2024	168,150	6,280	4,034	178,464
Foreign exchange movement	—	(336)	(604)	(940)
Additions	3	—	—	3
Disposal of subsidiary	—	(5,254)	—	(5,254)
Transfers between classes	1,591	—	(1,591)	—
Disposals	(1,337)	—	—	(1,337)
At 31 December 2024	<u>168,407</u>	<u>690</u>	<u>1,839</u>	<u>170,936</u>
<b>Depreciation and impairment</b>				
At 1 January 2024	(116,992)	(1,537)	(206)	(118,736)
Foreign exchange movement	211	847	219	1,277
Depreciation charged	(14,171)	—	(738)	(14,909)
Impairment in asset	(31,498)	—	—	(31,498)
At 30 December 2024	<u>(162,450)</u>	<u>(690)</u>	<u>(725)</u>	<u>(163,865)</u>
<b>Carrying amount</b>				
At 1 January 2024	51,158	4,743	3,828	59,729
At 31 December 2024	<u>5,957</u>	<u>—</u>	<u>1,114</u>	<u>7,071</u>

### Property, Plant and Equipment Impairments

The Group has a single line of business, crypto mining. During 2025, the Group considers its mining machines to be categorized into five cash generating units (CGU's) being: The Group operates a single line of business, cryptocurrency mining. For the purposes of impairment assessment, the Group has identified five cash-generating units ("CGUs"), being:

- Mining Operations at the Group's owned site in Quebec
- Mining operations that were hosted at the Merkle Washington Facility
- Mining Operations that were hosted at the Merkle Tennessee Facility
- Mining Operations at the Alabama leased facility 1351
- Mining Operations at the Alabama leased facility 1301

These CGUs represent the five separate locations at which the group hosts its mining machines and is the lowest level at which largely independent cash inflows are generated.

In the prior period, the group identified three CGUs, these being: mining operations at the Group's owned site in Quebec, machines with uncertain re-hosting dates (formally hosted at the Helios facility) and inoperable machines not yet reconditioned (formally hosted at the Helios facility). During 2025, those machines grouped under the latter two CGUs were subsequently sold or re-hosted at the Merkle Washington Facility, the Merkle Tennessee Facility or the Group's owned site in Quebec. There are two wholly new CGUs in the period arising from the mining machines and other ancillary assets acquired under the restructuring (see Note 21).

Quebec and Alabama CGUs – fair value less costs of disposal ("FVLCD")

Merkle hosted CGUs –value in use ("VIU")

## ARGO BLOCKCHAIN PLC

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If an indication exists, the Group estimates an asset's recoverable amount. An asset's recoverable amount is the higher of an asset or CGU's fair value, less costs of disposal and its value in use. When the carrying value of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In determining the FVLCD of mining equipment, management has used observable market data, including recent sales prices for comparable machines, adjusted for estimated costs of disposal, including transportation.

During 2025, mining economics deteriorated significantly following the Bitcoin halving in April 2024, as reflected in reduced hashprice and secondary market pricing for mining equipment. As a result, the recoverable amount of the Alabama CGU (site 1301) was assessed to be below its carrying value, and an impairment charge of \$0.3 million was recognised. No impairment was identified in respect of the Alabama CGU (site 1351).

Mining equipment held at the Baie-Comeau CGU (4,162 machines) had a carrying value of \$0.8 million at 31 December 2025 and was measured based on FVLCD using recent market transactions.

Mining equipment held at the Merkle CGUs (12,843 machines) had a carrying value of \$1.7 million and was assessed based on value in use. The VIU calculation was derived from a 12-month cash flow forecast, discounted at 11.84%, representing the Group's estimated cost of capital. Key assumptions underlying the forecast include Bitcoin price, network difficulty, hashprice and operating costs.

### Impairment of Chips

In assessing the fair value of machine components, the Group used readily available chip set prices and management's estimate of other components in the chip sets to determine the value of chips on hand. As a result of this analysis, an impairment of \$87k was recorded (2024 - \$0.6 million).

### Right of Use Assets

Group	<i>Leasehold property \$'000</i>	<i>Total \$'000</i>
<b>Cost</b>		
At 01 January 2025	—	—
Additions	1,910	1,910
<b>At 31 December 2025</b>	<b>1,910</b>	<b>1,910</b>
<b>Depreciation and impairment</b>		
At 01 January 2025	—	—
Depreciation charged	(16)	(16)
At 31 December 2025	(16)	(16)
<b>Net book amount</b>		
<b>At 31 December 2025</b>	<b>1,894</b>	<b>1,894</b>

Right-of-use assets represent the Group's right to use leased properties under lease arrangements accounted for in accordance with IFRS 16 Leases. They are initially recognised at cost, equal to the corresponding lease liability adjusted for any initial direct costs and prepaid lease payments, and are subsequently depreciated over the lease term. The balance at year end primarily relates to property leases associated with the Group's Alabama mining operations.

# ARGO BLOCKCHAIN PLC

## 18. LEASE LIABILITY

	Leasehold property \$	Total \$
<b>At 01 January 2025</b>	—	—
Additions	1,910	1,910
Interest expense	7	7
Lease payments	(10)	(10)
FX	—	—
<b>At 31 December 2025</b>	<b>1,907</b>	<b>1,907</b>

### Maturity Analysis

	12/31/2025	12/31/2024
<b>Total</b>		
Current	133	—
Non - Current	1,774	—
<b>MVal</b>	<b>1,907</b>	<b>—</b>

### Reconciliation of minimum lease payments and present value

	31-Dec 2025 \$
Within 1 year	211
Later than 1 year and less than 5 years	907
After 5 years	1,234
Total including interest cash flows	2,352
Less: interest cash flows	(445)
<b>Total principal cash flows</b>	<b>1,907</b>

Lease liabilities represent the present value of future lease payments under the Group's lease arrangements, discounted at the applicable incremental borrowing rate on initial recognition. The liability is subsequently accreted for interest and reduced by lease payments, with the year-end balance primarily relating to the Group's Alabama property leases.

## 19. TRADE AND OTHER RECEIVABLES

	Group 2025 \$'000	Group 2024 \$'000
Trade and other receivables	645	140
Prepays	1,187	628
Other taxation and social security	—	2,311
<b>Total trade and other receivables</b>	<b>1,832</b>	<b>3,079</b>

Within other taxation and social security for 2024 is a provision against GST/QST/VAT receivable of \$2.3 million in relation to ongoing matters in connection with GST Notice 324 released by the Canadian Revenue Authority, and ongoing discussions with HMRC. The Group have included the provision for prudence and upon conclusion of the matter, the Group will adjust this provision accordingly.

# ARGO BLOCKCHAIN PLC

## 20. INTANGIBLE ASSETS CURRENT

The Group mined crypto assets during the period, which are recorded at fair value on the day of acquisition. Movements in fair value between acquisition (date mined) and disposal (date sold), and the movement in fair value in crypto assets held at the year end, are recorded in profit or loss.

All of the Group's holding in crypto currencies other than Bitcoin are now classified as intangible assets.

At the period end, the Group held Bitcoin representing a fair value of \$42k. The breakdown of which can be seen below:

Group	2025 \$'000	2024 \$'000
<b>At 1 January</b>	<b>6</b>	<b>385</b>
Foreign Exchange Movement	—	—
Crypto assets purchased and received	3,500	—
Crypto assets mined	15,521	47,017
<b>Total additions</b>	<b>19,021</b>	<b>47,017</b>
<b>Disposals</b>		
Impairment	—	—
<b>Crypto assets sold</b>	<b>(18,927)</b>	<b>(47,302)</b>
<b>Total disposals</b>	<b>(18,927)</b>	<b>(47,302)</b>
<b>Fair value movements</b>		
Gain/(loss) on crypto asset sales	(58)	(94)
Movements on crypto assets held at the year end	—	—
<b>Total fair value movements</b>	<b>(58)</b>	<b>(94)</b>
<b>At 31 December</b>	<b>42</b>	<b>6</b>

## 21. RESTRUCTURING PLAN

On December 10, 2025, the High Court of Justice in England and Wales sanctioned the Company's restructuring plan, which became effective on December 12, 2025. The restructuring involved a series of transactions intended to recapitalize the Company, reduce its debt obligations and provide additional liquidity. As part of the restructuring, Growler Mining Tuscaloosa LLC ("Growler") contributed certain mining assets, provided additional capital funding and converted an existing loan into equity. In addition, the Company issued ordinary shares to holders of its 8.75% senior notes due 2026 in exchange for the cancellation of those notes. Following completion of the restructuring, Growler became the Company's controlling shareholder.

The accounting treatment applied to each component of the restructuring is described below.

### Asset acquisition - mining assets

The Company acquired the equity of Growler USCo LLC, which held certain mining machines, non - energized electrical infrastructure, power contracts and related leases. Management determined that the acquired entity did not meet the definition of a business under IFRS 3 as it did not include an organized workforce or substantive processes. Accordingly, the transaction was accounted for as an asset acquisition.

Consideration for the assets was settled through the issuance of equity instruments and accounted for as a share - based payment transaction under IFRS 2. Identifiable net assets acquired were recognized at their fair value. In accordance with IFRS 2, this amount has been recognised as an increase in equity, measured directly at the fair value of the goods or services received.

# ARGO BLOCKCHAIN PLC

## Senior notes cancellation

Ordinary shares were issued to holders of the Company's 8.75% senior notes due 2026 in exchange for cancellation of the outstanding debt. This transaction was accounted for as a debt - for - equity exchange in accordance with IFRS 9 and IFRIC 19. The difference between the carrying value of the financial liability and the fair value of the equity instruments issued was recognized as a gain in profit or loss.

In the UK, the amount to be credited to share capital and share premium on an issue of shares is a matter of law and does not depend on the accounting for the transaction. Any apparent conflict between the accounting treatment and legal analysis can be resolved by transfers between the components of equity.

When shares are issued, the amount to be credited to share premium is based on the value of the consideration received for the issue of the shares. When the consideration is the release from a liability, its value for this purpose is the liquidated sum which is usually the face value of the liability (i.e., its redemption amount). This value may be different from both the carrying amount of the liability at the transaction date and its fair value (being the value credited to equity under IFRIC 19).

The effect of the distinction between the accounting and legal analysis is that a gain recognised under the requirements of IFRIC 19 is likely to be treated as capital for UK company law purposes and, as such, the overall effect is that the company's reserves available for distribution are not increased. This has been disclosed in the Group Statement of Changes in Equity as a transfer between Additional paid in Capital and Accumulated surplus/(deficit) reserve.

## Conversion of Growler loan facility

The loan facility provided by Growler was converted into equity as part of the restructuring. Consistent with IFRIC 19, the carrying amount of the loan was derecognized and replaced with equity instruments issued. The difference between the carrying value of the loan and the fair value of shares issued was recognized in profit or loss.

To financially support the Group through the restructuring process, Growler provided a \$7.5m secured loan facility to the Group. The headline terms of this facility were as follows:

- Interest charged at the higher of 10% and SOFR + 6%
- Repayable 12 months from issue being 9th September 2026

## Exit capital

The Company issued additional ordinary shares to Growler in exchange for \$3.5 million of additional capital funding. The consideration was received in Bitcoin and immediately converted to cash. This transaction was accounted for as an equity issuance in accordance with IAS 32.

# ARGO BLOCKCHAIN PLC

## 22. SHARE OPTIONS, RESTRICTED STOCK UNITS AND WARRANTS

In 2022, the Remuneration Committee of the Board (“Committee”) approved the 2022 Equity Incentive Plan (“the Plan”). Under the Plan, the Committee, at its discretion, may issue awards, including share awards, stock options, stock appreciation rights (“SARs”), restricted stock units, performance awards and American Depository Shares to any employee of the Group. The exercise price of stock options and the base price of SARs may not be less than the market price of the underlying shares on the date of grant. Stock options and SARs may have an exercise period up to ten years after the grant date.

The following table summarizes share-based compensation expense for the years ended December 31, 2025 and 2024:

	2025	2024
Stock options	156	1,958
Restricted stock units	2,480	1,801
	<u>2,636</u>	<u>3,759</u>
	Number of options and warrants '000	Weighted average exercise price £
<b>At 1 January 2025</b>	<b>63,549</b>	<b>0.17</b>
Granted	—	—
Exercised	—	—
Lapsed	(1,681)	0.54
<b>Outstanding at 31 December 2025</b>	<b>61,868</b>	<b>0.16</b>
<b>Exercisable at 31 December 2025</b>	<b>61,868</b>	<b>0.16</b>

The weighted average remaining contractual life of options and warrants as at 31 December 2025 is 50 months (2024 -53 months). If the exercisable shares had been exercised on 31 December 2025 this would have represented 8% (2024 – 0.8%) of the enlarged share capital.

At the grant date, the fair value of the options and warrants prior to the listing date was the net asset value and post listing determined using the Black-Scholes option pricing model. Volatility was calculated based on data from comparable listed technology start-up companies, with an appropriate discount applied due to being an unlisted entity at grant date. Risk free interest has been based on UK Government Gilt rates for an equivalent term. The inputs into the Black-Scholes model are as follows:

	2025	2024
Grant date share price £	—	0.115
Exercise price £	—	0.1125
Volatility	— %	113 %
Life	—	5 years
Risk free rate	— %	3.9 %
Dividend yield	— %	— %

## ARGO BLOCKCHAIN PLC

### Restricted Stock Units

In 2023, the Committee approved the grant of RSUs to employees. The RSUs vest quarterly beginning the sixth month after the grant date over a three-year period. The weighted average remaining vesting period is the period to the last vesting date.

	2025		
	Number of Awards	Weighted Average Grant Date Price £	Weighted Average Remaining Vesting Period (months)
Outstanding at beginning of period	8,789	0.13	—
Granted during the period	—	—	—
Vested during the period	(4,192)	0.13	—
Forfeited during the period	(4,597)	0.13	—
Outstanding at the end of period	—	—	—

  

	2024		
	Number of Awards '000's	Weighted Average Grant Date Price £	Weighted Average Remaining Vesting Period (months)
Outstanding at beginning of period	6,700	0.12	—
Granted during the period	7,274	0.15	—
Vested during the period	(3,163)	0.12	—
Forfeited during the period	(2,022)	0.14	—
Outstanding at the end of period	8,789	0.13	22

### Performance Stock Units (American Depository Shares)

In 2023, the Committee approved the grant of PSUs over American Depository Shares to the Chief Executive Officer of the Group, which were scheduled to vest annually over a three-year period, with annual vesting ranging from 25% to 100% subject to performance conditions. The Chief Executive Officer resigned in January 2025 and, in accordance with the terms of the award, all outstanding PSUs were cancelled.

Following the appointment of a new Chief Executive Officer, the Company granted 22,250,000 PSUs in accordance with its remuneration policy. These awards were subject to performance conditions and scheduled to vest over a three - year period, with vesting in equal tranches after 12, 24 and 36 months, subject to continued employment and satisfaction of the applicable performance conditions.

## ARGO BLOCKCHAIN PLC

As part of the Company's restructuring and delisting from the London Stock Exchange, all outstanding PSUs granted to the new Chief Executive Officer were cancelled.

	2025		
	Number of Awards '000	Weighted Average Grant Date Price \$	Weighted Average Remaining Vesting Period (months)
<b>American Depository Shares</b>			
Outstanding at beginning of the period	2,850	1.15	23
Granted during the period			
Forfeited during the period	(2,850)	1.15	21
Outstanding at the end of period	—	—	—
	Number of Awards '000	Weighted Average Grant Date Price £	Weighted Average Remaining Vesting Period (months)
<b>Ordinary Shares</b>			
Outstanding at beginning of the period	—	—	—
Granted during the period	22,250	0.03	36
Forfeited during the period	(22,250)	0.03	27
Outstanding at the end of period	—	—	—
	Number of Awards	Weighted Average Grant Date Price £	Weighted Average Remaining Vesting Period (months)
<b>2024</b>			
Outstanding at beginning of the period	2,850,000	1.15	
Vested during the period	(237,500)	—	
Forfeited during the period	—	—	
Outstanding at the end of period	2,612,500	1.15	35

### 23. ORDINARY SHARES

	As at 31 December 2025 \$'000	As at 31 December 2024 \$'000
<b>Ordinary share capital</b>		
<i>Issued and fully paid</i>		
Opening share capital	938	712
<i>Issued in the period</i>		
Ordinary Shares of \$0.001 each	37,689	226
Closing Share Capital	38,627	938
<b>Share premium</b>		
At beginning of the period	232,257	209,779
Issued in the period	45,144	22,748
Issue costs	(10,071)	—
At the end of period	263,730	232,257

# ARGO BLOCKCHAIN PLC

## 24. RESERVES

The following describes the nature and purpose of each reserve:

<b>Reserve</b>	<b>Description</b>
Ordinary Shares	Represents the nominal value of equity shares
Share Premium	Amount subscribed for share capital in excess of nominal value
Share based payment reserve	Represents the fair value of options and warrants granted less amounts transferred on exercise
Currency translation reserve	Cumulative effects of translation of opening balances on non-monetary assets between subsidiaries functional currencies (Canadian dollars and Uk Sterling) and Group presentational currency (US Dollars).
RSU/PSU reserve	Represents the fair value of restricted/performance stock units expensed less amounts transferred on vesting
Other comprehensive income of equity accounted associates	The other comprehensive income of any associates is recognised in this reserve
Accumulated surplus	Cumulative net gains and losses and other transactions with equity holders not recognised elsewhere.

## 25. TRADE AND OTHER PAYABLES

	<b>Group 2025 \$'000</b>	<b>Group 2024 \$'000</b>
Trade payables	3,808	1,663
Accruals and other payables	2,517	3,619
Other taxation and social security	—	2,902
<b>Total trade and other creditors</b>	<b>6,325</b>	<b>8,184</b>

The directors consider that the carrying value of trade and other payables is equal to their fair value.

## 26. LOANS AND BORROWINGS

	<b>As at 31 December 2025 \$'000</b>	<b>As at 31 December 2024 \$'000</b>
<b>Non-current liabilities</b>		
Issued debt - bond (a)	—	39,304
<b>Total</b>	<b>—</b>	<b>39,304</b>
<b>Current liabilities</b>		
Mortgage - Quebec Facility (b)	438	837
Other Loans (c)	1,160	20
<b>Total</b>	<b>1,598</b>	<b>857</b>

## ARGO BLOCKCHAIN PLC

### (a) Unsecured Bonds:

In November 2021, the Group issued an unsecured 5-year bond with an interest rate of 8.75%. The bonds were due to mature on 30 November 2026. The bonds could be redeemed for cash in whole or in part at the Group's option (i) on or after 30 November 2023 and prior to 30 November 2024, at a price equal to 102% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption, (ii) on or after 30 November 2024 and prior to 30 November 2025, at a price equal to 101% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption, and (iii) on or after 30 November 2025 and prior to maturity, at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption. The Group could also redeem the bonds, in whole, but not in part, at any time at its option, at a redemption price equal to 100.5% of the principal amount plus accrued and unpaid interest to, but not including, the date of redemption, upon the occurrence of certain change of control events. The bonds were listed on the Nasdaq Global Select Market under the symbol ARBKL.

As part of the restructuring completed in December 2025, the outstanding bonds were cancelled and extinguished in full in exchange for the issuance of new ordinary shares in the Company. The transaction was accounted for as a debt - for - equity exchange in accordance with IFRS 9 and IFRIC 19, with the difference between the carrying value of the bonds and the fair value of the equity instruments issued recognised in profit or loss. Following the restructuring, no amounts remain outstanding under the bonds.

### (b) Mortgage – Quebec Facility

The mortgage is secured against the property at Baie-Comeau and is repayable over 36 months at an interest rate of Lender Prime + 0.5%. (4.95% as of 31 December 2025).

### (c) Other Loans

Amounts totaling \$1,159,298 advanced by Growler Mining Tuscaloosa, LLC between December 8, 2025 and December 31, 2025 supporting IAS 24.18 the Group's restructuring, namely the settlement of professional fees directly attributable to the restructuring were recognized as a shareholder loan at year-end. These amounts were subsequently converted into equity on March 26, 2026.

## 27. FINANCIAL INSTRUMENTS

	Group 2025 \$'000	Group 2024 \$'000
<b>Carrying amount of financial assets</b>		
Measured at amortised cost		
- Trade and other receivables	645	2,451
- Cash and cash equivalents	2,204	8,626
Measured at fair value through profit or loss	—	300
<b>Total carrying amount of financial assets</b>	<b>2,849</b>	<b>11,377</b>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost		
- Trade and other payables	6,325	8,184
- Short term loans	1,598	20
- Long term loans	—	837
- Issued debt - bonds	—	39,304
<b>Carrying amount of financial liabilities</b>	<b>7,923</b>	<b>48,345</b>

# ARGO BLOCKCHAIN PLC

## Fair Value Estimation

Fair value measurements are disclosed according to the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices), or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). This is the case for unlisted equity securities.

The following table presents the Group's assets that are measured at fair value at 31 December 2025 and 31 December 2024.

Assets	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
- Equity holdings	—	—	—	—
- Digital assets	—	42	—	—
<b>Total at 31 December 2025</b>	<b>—</b>	<b>42</b>	<b>—</b>	<b>—</b>
Assets	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
- Equity holdings	—	—	300	300
- Digital assets	—	6	—	6
<b>Total at 31 December 2024</b>	<b>—</b>	<b>6</b>	<b>300</b>	<b>306</b>

All financial assets are in listed and unlisted securities and digital assets.

There were no transfers between levels during the period.

The Group recognises the fair value of financial assets at fair value through profit or loss relating to unlisted investments at the cost of investment unless:

- There has been a specific change in the circumstances which, in the Group's opinion, has permanently impaired the value of the financial asset. The asset will be written down to the impaired value;
- There has been a significant change in the performance of the investee compared with budgets, plans or milestones;
- There has been a change in expectation that the investee's technical product milestones will be achieved or a change in the economic environment in which the investee operates;
- There has been an equity transaction, subsequent to the Group's investment, which crystallises a valuation for the financial asset which is different to the valuation at which the Group invested. The asset's value will be adjusted to reflect this revised valuation; or
- An independently prepared valuation report exists for the investee within close proximity to the reporting date.
- The deferred consideration has been fair valued to the year - end date as the amount is to be paid in Argo shares.

# ARGO BLOCKCHAIN PLC

## 28. COMMITMENTS AND CONTINGENCIES

A subsidiary has received tax assessments from Canadian tax authorities for value added taxes and income taxes (See Note 13). The Company is involved in legal proceedings with a third party; in line with IAS 37 paragraph 92, the information required under IAS 37 paragraphs 84-91 have not been disclosed as management consider that such disclosures could seriously prejudice the position of the company.

## 29. RELATED PARTY TRANSACTIONS

The compensation paid to related parties in respect of services rendered in 2025 were:

- \$48,520 (2024-\$135,095) in respect of fees of Matthew Shaw (Non-executive director);
- \$141,576 (2024-\$129,909) in respect of fees for Maria Perrella (Non-executive director);
- \$90,353 (2023-\$145,562) in respect of fees for Raghav Chopra (Non-executive director);

Following the restructuring completed on December 12, 2025, Growler Mining Tuscaloosa LLC became the Company's controlling shareholder and is therefore a related party. Please see note 21 and 31 for details of transactions with Growler Mining Tuscaloosa LLC.

At 31 December 2025, the Group had right-of-use assets and corresponding lease liabilities recognized in respect of lease arrangements with entities under common control within the wider Growler group. These comprise one lease for the Group's operating facilities in Alabama with a term of 10 years at a cost of \$17,500 per month, and two rented facilities for the storage of assets on rolling monthly terms at a cost of \$3,000 per month each.

## 30. CONTROLLING PARTY

As a result of the restructuring completed on December 12, 2025, Growler Mining Tuscaloosa LLC became the Company's controlling shareholder, holding approximately 88.6% of the Company's issued share capital. Accordingly, the Company is controlled by Growler Mining Tuscaloosa LLC.

## 31. POST BALANCE SHEET EVENTS

Subsequent to 31 December 2025, the Company entered into a subscription facility agreement with its controlling shareholder, Growler Mining Tuscaloosa, LLC. Under the terms of the Facility, the Company may draw up to \$5,000,000 to support its operations, working capital requirements and strategic initiatives.

As at the date of approval of these financial statements, the Company has drawn \$2,500,000 under the Facility. The proceeds have been used to support ongoing operations and liquidity requirements.

Additionally, prior payments totaling \$1,259,297.68 made by or on behalf of Growler between December 8, 2025 and January 15, 2026, which were recognized as a liability at December 31, 2025, were converted into equity concurrently with the initial \$2.5 million tranche, with no additional cash consideration.