HODL

MISSION: COMPOUND BITCOIN

Q3 2026 Update: Letter to Shareholders

Quarter ended 30 September 2026

Dear Shareholders,

Welcome to our letter for the third quarter of 2026, the three months to 30 September and the first quarter of our new financial year.

If Q2 was about launching our second business line, Q3 was about putting both of our capital management tools to work and scaling the Lightning business we launched in May. During the quarter we ran our first share buy-back, completed our second At-The-Market (ATM) programme and launched a third, and bought a further 1 BTC. Our public Lightning node more than doubled its capacity, and we signed a Letter of Intent with the team behind the ZEUS wallet. We also gave evidence to a Parliamentary inquiry into debanking and took part in the first Bitcoin Corporate Day in London.

Our measure of progress remains the same: Bitcoin per share. We now hold 167.487 BTC, and sats per share has reached 120.43 as at the publication of this letter, up from 117.77 at 30 June and from 110.69 when our IPO proceeds were fully deployed in November 2025.

Capital management: both levers in use

For much of the quarter our shares traded below the value of the Bitcoin we hold. When that happens, buying back our own shares adds more Bitcoin per share than buying Bitcoin does. So that is what we did.

• **Buy-back programme 1.** Announced on 9 July under the authority shareholders granted in February, our first programme bought back and cancelled 1,984,400 shares in July, at prices between 4.57p and 5.40p. That programme alone lifted sats per share from 117.77 to 119.45.

• **Buy-back programme 2.** A second programme, of up to £100,000, began in August and continued through September.

• **ATM programmes 2 and 3.** When the shares moved back to a premium in September, we completed our second ATM programme and launched a third. We issue shares under the ATM only above net asset value, so each sale adds Bitcoin per share. We then bought a further 1 BTC, taking the treasury to 167.487 BTC.

Very few Bitcoin treasury companies can run both levers. Buy-backs increase sats per share when mNAV is below 1; issuance increases it when mNAV is above 1. In September we used both within the same month. Buy-backs also give shareholders who want to sell, including those with meaningful stakes, a ready source of liquidity. Every transaction has been announced by RNS, and the announcements are on our website.

Lightning: scaling the LSP business

During the quarter, we continued to scale our Lightning Service Provider (LSP), building on the launch in May. Demand is coming from businesses and individuals that want reliable inbound liquidity without running their own infrastructure.

Through lightning.bhodl.com and the Amboss Magma marketplace, customers can:

- buy inbound liquidity and open channels directly with B HODL, over clearnet or Tor;
- provision liquidity programmatically through our API, built for businesses, developers and AI agents.

Our focus remains on building a commercially sustainable Lightning business that generates native Bitcoin income while supporting the broader adoption of Bitcoin as a payment network.

Security and resilience

The quarter was a sobering reminder that security is a process, not a destination. A vulnerability affecting Coldcard hardware wallets caused losses for self-custody users around the world, and Lightning infrastructure providers, including Boltz, faced sustained AI-assisted attacks. B HODL's Bitcoin was not affected.

We continue to review our custody and Lightning operations on the basis that no single device, vendor or security layer is invulnerable. Multisig architecture, diversified hardware and rigorous operating procedures remain essential. We also support "black-box thinking" across the industry: when something fails,

analyse it openly, share the lessons and make the same failure less likely, as aviation does.

Policy and regulatory engagement

• **Debanking inquiry.** In July the Crypto and Digital Assets All-Party Parliamentary Group launched a Parliamentary inquiry into access to banking for the UK industry. We helped plan its launch and submitted our evidence. The APPG continues to accept submissions from the public, and we encourage shareholders affected by debanking to contribute.

• **Bitcoin as collateral.** Draft legislation for the Finance Bill 2026–27 proposes that collateral movements be disregarded for capital gains tax, a "no gain, no loss" treatment for Bitcoin used as loan collateral. Members of our team have campaigned for this for many years, and it would be a significant step for Bitcoin lending in the UK.

• **FCA.** The FCA published guidance on what authorisation will require of market participants. In September we took part in a closed-door FCA roundtable under the Chatham House Rule; we cannot share the detail, but we believe progress is being made on key issues.

Events, media and community

Bitcoin Corporate Day, London. On 22 September we took part in the first international edition of Bitcoin Corporate Day, hosted by the BTC Prague team at the Honourable Artillery Company. Close to 300 senior decision-makers attended, including a former Prime Minister and a former Chancellor. The conversation has moved on from whether corporates should hold Bitcoin to how they hold it and what they build with it. I joined a panel with speakers from Antidote, Bitwise and Wiston Capital on the blockers facing the Bitcoin industry in the UK. The evening before, Antidote hosted a fireside with our lead investor Adam Back and Jonathan Bier.

Elsewhere in the quarter:

- a gathering of shareholders, advisers and prospective shareholders in Stroud, hosted with The Bitcoin Chef, with a fireside and Q&A on strategy;
- a presentation to private investors at 10 Trinity Square, London;
- speaking slots for Danny Scott and for me at CPAC UK, on central banking, CBDCs, digital ID and Bitcoin as an alternative payment network;
- podcasts and spaces including Discovering Bitcoin, You're the Voice with Efrat Fenigson, the Bitcoin Business Network and Invest Smarter (forthcoming), and a feature in Blink's Weekly Brief;

- the Aquis Summer Drinks following the Aquis IPO Academy;
- a personal role mentoring new developers in the Bitmela Ideathon Bitcoin Track, which I am supporting from my own funds.

Free Sats Friday continues to be our weekly live demonstration of Lightning payments. In one sponsored July edition we made 707 payments of 200 sats each to participants in at least 12 countries, from Kenya and Ecuador to Canada and Australia. No other payment network could process those payments as fast or as cheaply.

Looking ahead

• **Annual results and AGM.** Our audited results for the year to 30 June 2026, our first full year as a listed company, is published alongside our Annual Report and Investor Presentation. Our AGM will be held at 1.00 p.m. on Friday 20 November 2026 at The Comis Hotel, Isle of Man.

• **Ordinary Backed Loans.** At the AGM we will ask shareholders to approve the framework for Ordinary Backed Loans, which would let eligible shareholders borrow Bitcoin against their own shares. It is structured so that either outcome at the end of a loan increases sats per share. Full details are in the AGM Circular.

• **Capital management.** We will keep using buy-backs and ATM issuance according to where our shares trade relative to our Bitcoin.

Thank you, as ever, for your continued support.

Buy. Hold. Deploy. Compound.

Freddie New
Chief Executive Officer, B HODL Plc

